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Right Leads Close French Vote But Fails to Win Solid Majority

By Joseph Fitchett
International Herald Tribune

PARIS — French parliamentary elections appeared to give the right a bare majority Sunday, but the outcome left France facing major political uncertainties.

Computer projections gave 296 seats in the 577-seat parliament to the two allied center-right parties, the Rally for the Republic led by Jacques Chirac and the Union for French Democracy led by Valéry Giscard d'Estaing, and their supporters.

But this fell short of the comfortable edge indicated by polls that would have given the rightist alliance a clear mandate for major change.

The early results showed an overall majority of 55 percent for rightist parties, reversing the 10-percent advantage held by the leftist alliance of the Socialist and Communist parties in 1981.

But the conservative vote included around 10 percent for the far-right National Front, whose anti-immigrant views have made it an unacceptable political ally for both Mr. Chirac and Mr. Giscard d'Estaing.

The outcome left President François Mitterrand, although weakened by the loss of a Socialist-dominated parliament, in an unexpectedly strong position to negotiate the formation of a new government with his conservative opponents, commentators said.

Mr. Mitterrand, whose term of office runs until 1988, has said that he intends to protect his authority and defend the major achievements of the Socialist government. Mr. Mitterrand has the initiative in choosing a candidate to attempt to head the next government.

He has pledged "not to juggle with the democratic outcome." The conservative alliance has said it is entitled to govern if, in the words of a spokesman, it has "a majority plus one."

Conservative spokesmen, such as Mr. Giscard d'Estaing, said the unclear outcome and the risk of leaving France "ungovernable" resulted from the new voting system of proportional representation introduced by the Socialist government in time for the election. Mr. Giscard d'Estaing said that political infighting could deprive France of the opportunity to capitalize on its improving economic prospects.

The reform was advocated by Socialists as a more equitable system, but conservatives said the change was intended to prevent the right, which has enjoyed a strong lead in opinion polls since 1982, from consolidating a majority.

Mr. Chirac said the elections had shown that France wanted a new government and called on the French people to close ranks for a new national start. He made it plain in recent weeks that he expected to be named prime minister if the center-right parties won a majority.

Raymond Barre, prime minister from 1976 to 1981, said: "The country has disavowed the Socialists and the president. It is the first time a French president under this constitution has lost the parliamentary majority."

Mr. Barre, currently considered the leading conservative presidential contender, has said that he will not participate in a center-right government, which he says will be paralyzed by conflict with the president.

But Mr. Barre, who controls a half-dozen parliamentarians, said Sunday that he would "do nothing to disturb the activities of any group from the new majority that agrees to govern." Questions about the loyalty of Mr. Barre's supporters are part of the fragility of any center-right government, commentators said.

The Socialist Party, which has had an overall parliamentary majority since the 1981 elections in which Mr. Mitterrand was elected, outperformed forecasts by winning about 31 percent of the votes and an estimated 210 seats, leaving it the largest single party in the National Assembly.

Lionel Jospin, first secretary of the Socialist Party, said: "The nation is starting to give the Socialists credit for their achievements during five years in power fighting a depression."

But the Socialists had no apparent prospect of forming a government since the breakup of their alliance with the Communists in 1984 over the Socialist government's austerity policy.

Polls taken just before the election, with French opinion strongly affected by the holding of French hostages by Moslem fundamentalists in Lebanon, showed votes slipping from the mainstream conservative parties to the National Front.

Under the old two-round voting system, the main conservative par-

(Continued on Page 5, Col. 1)

The Associated Press

President François Mitterrand leaves a voting booth in Chateau-Chinon on Sunday.

Reuters

Singapore Hotel Collapses, Burying Scores

A seven-story hotel in the Indian quarter of Singapore collapsed Saturday, causing fears that more than 60 persons may have been killed. Rescue officials said Sunday that they were trying to tunnel through the debris to reach several persons still alive in the rubble of the New World Hotel. Eleven persons have been rescued, 7 bodies have been recovered and more than 60 persons were missing.

Swiss Reject UN Seat in 3-1 Margin

The Associated Press

BERN — Swiss voters rejected United Nations membership for their country on Sunday, according to early referendum returns.

In each of the 22 cantons where all votes had been counted, a majority voted against a government-backed proposal to seek full membership in the world organization.

Passage of the proposal would have required approval by a majority of the voters and by a majority of the governments of Switzerland's 26 cantons.

Switzerland sits as an observer in the UN General Assembly and is a full member of all UN specialized agencies.

In Geneva, where most UN agencies are located, 69.8 percent of the voters rejected membership and 30.2 favored it, with a voter turnout of 46.2 percent. The country has 4.1 million eligible voters.

The Swiss government strongly backed UN membership, saying isolation in an increasingly integrated world would harm the Swiss economy.

Opponents said membership would force Switzerland to take sides in international disputes and jeopardize the country's longstanding "perpetual neutrality."

Opponents also said that joining the United Nations probably would lead to joining the World Bank and the International Monetary Fund. The Swiss Bank Corp., the country's second-largest commercial bank, said in a 1984 study that it would cost Switzerland $4.25 billion to join those organizations.

There were historical precedents

(Continued on Page 7, Col. 1)

Reagan Blurs Policy on Rightist Dictators

By Bernard Weintraub
New York Times Service

WASHINGTON — In announcing a foreign policy framework last week that commits the United States to "democratic revolution" around the world, President Ronald Reagan offered a rationale for his efforts to obtain aid from Congress for rebels in Nicaragua.

But officials acknowledged that Mr. Reagan's comments Friday might create a new problem in dealing with anti-Communist nations that support U.S. policy but persist in human rights abuses.

His message to Congress declared that the United States opposed all dictatorships, whether of the right or the left.

In essence, he said his administration had been applauded for its successful efforts to remove rightist dictators in Haiti and the Philippines but scorned by some of the same people for opposing the leftist government in Nicaragua.

The statement came as the administration neared the end of its weeklong drive for a $100-million aid package for the Nicaraguan rebels, which the House of Representatives and possibly the Senate will take up this week.

Mr. Reagan's national security adviser, Vice Admiral John M. Poindexter, insisted Friday that there was "nothing new" about the message that the United States opposed dictatorships both on the right and left. The bulk of the president's statement, in fact, dealt largely with the dangers of Soviet expansionism.

NEWS ANALYSIS

Nonetheless, the message was a breakthrough in expressing the administration's commitment to "democratic revolution" against dictators so candidly.

Mr. Reagan seemed to be saying that the United States will promote ballots for dealing with rightist dictatorships, such as Ferdinand E. Marcos's in the Philippines, but bullets for leftist regimes, like that in Nicaragua.

White House officials noted that the message was timed to the vote on aid for the Nicaraguan rebels and also was an attempt to define U.S. policy in regional conflicts. The statement itself was shaped by Admiral Poindexter and the National Security Council.

"The purpose of this statement is twofold," Donald T. Regan, the White House chief of staff, said in an interview. "First of all, it's to explain more completely our overall strategy for resisting destabilizing forces on a regional basis."

"The second purpose of the statement is to show the importance of Nicaragua to our regional strategy and security," Mr. Regan said. "Nicaragua is a destabilizing force to our neighbors and could be a destabilizing force to the hemisphere. Accordingly, we feel we must help those who oppose them."

"It's being issued at this time," he said, "because many in Congress and the general public have asked do we have an overall strategy, do we have an overall policy? The answer is yes we do, and here it is."

Mr. Regan and Secretary of State George P. Shultz, as well as Mr. Reagan, plainly believe that the moment is propitious, after Haiti and the Philippines, to tell liberal critics that one dictatorship is as bad as another.

They consider it is nothing short of hypocrisy to applaud the administration one day for helping to depose Mr. Marcos, a longtime American friend, while upbraiding it the next day for seeking to neutralize, if not depose, a Nicaraguan leadership that seems intent on destabilizing the region.

Administration officials cite the liberal outcry over U.S. policy in El Salvador several years ago as an example of criticism that failed.

"This administration was determined to help El Salvador build democracy when many of our critics, people who claim to care about human rights, didn't want to," Mr. Poindexter said Friday. "So the real question isn't whether you're against tyranny; everybody is. The real question is how to encourage a truly democratic alternative."

To the Reagan administration, the government of President José Napoleón Duarte offers a truly democratic alternative in El Salvador.

In blurring, if not reversing, a longstanding administration policy of restraint toward rightist dictatorships, White House officials agree that Mr. Reagan may have created a problem that could prove difficult to resolve.

While the United States could reverse its policy toward the military government in Chile, as it did last week, expressing concern over the human rights situation there, administration officials wonder how Mr. Reagan would react to a sharpening internal conflict in South Korea, which is a close ally

(Continued on Page 3, Col. 4)

Marcos Wants to Leave U.S.; Seeks Haven in Spain, Mexico or Panama

By Bernard Gwertzman
New York Times Service

WASHINGTON — Ferdinand E. Marcos, reportedly unhappy with his reception in Hawaii, has asked the United States to help him find a safe haven in Spain or some other country, according to administration officials.

"I think that if he finds a respectable place to go with reasonable housing and other arrangements, he will leave the United States," a senior administration official said Saturday. "In my opinion that would be the most rational thing for him to do."

The official added that the former Philippine president had been assured, as have foreign governments, that he could always come back to the United States.

An administration official said Mr. Marcos's top choices, in order, are Spain, Mexico and Panama. Officials said Mr. Marcos and the U.S. State Department have made inquiries in those countries.

[Foreign Minister Francisco Fernández Ordoñez of Spain said Sunday that Spain will not grant asylum to Mr. Marcos, The Associated Press reported from Madrid.]

A State Department official indicated that the other governments had not approved his entry.

The move, if it occurs, would probably be confined to Mr. Marcos and some of his immediate family, officials said. Many of the 90 people who fled Manila with him want to stay in the United States.

They said Mr. Marcos had become demoralized over the negative publicity in the American press and on television about his wealth and his past activities. He has also become deeply worried about the possibility of being subpoenaed for congressional hearings or even brought to trial in American courts, according to the officials.

He has complained to State Department liaison officers and friends that he was not receiving the "respect and dignity" promised him by President Ronald Reagan, they said.

Because of these concerns, they said, Mr. Marcos has taken the initiative and gotten in touch with some foreign leaders directly or through intermediaries about leaving Hawaii. More recently, they said, he asked the State Department to intercede on his behalf.

The assurance that Mr. Marcos will be free to re-enter the United States at any time was viewed as important, because some governments that would agree to take the Marcos family temporarily might be wary of having him in permanent exile, officials here said.

When asked if the situation was similar to the one in 1979 when Washington wanted the deposed shah of Iran to leave the United States after medical treatment and asked foreign governments to accept him, the State Department official said: "Not at all. Marcos is free to stay here as long as he wants and to come and go as he pleases."

The major difference is that the Iranian government demanded the return of the shah and had seized hostages in the U.S. Embassy in retaliation for his presence in the

(Continued on Page 2, Col. 5)

U.S. Boom Leaves Out Many

Millions of Poor, Jobless Don't Feel 'Economic Miracle'

By Robert Pear
New York Times Service

WASHINGTON — Although most Americans are benefiting from the nation's robust economic recovery, economists say that at least 10 million to 15 million are receiving little direct gain.

In his State of the Union message last month, President Ronald Reagan described the recent experience of the United States as an "economic miracle."

The economy has grown for 40 consecutive months, adding more than 9 million jobs and raising total employment to 110.3 million. The inflation rate plunged from more than 12 percent in 1980 to 3.8 percent in 1985, and a sharp decline in oil prices this year seems to guarantee continued low inflation.

But Samuel M. Ehrenhalt, regional commissioner of the Bureau of Labor Statistics in New York, said, "Even in this period of rapid economic growth, there are still people who have been left out of it, who are not in the mainstream, who are not even in the minor eddies of the economy.

"This group includes people who are not in the labor force, many female heads of household, high school dropouts, especially young blacks, and middle-aged men who have been displaced from their jobs and not found their niche."

Of course, even those without jobs may receive indirect benefits from the economic recovery.

For example, state officials may be more willing to increase welfare benefits. After adjustment of the statistics to account for inflation, the median state welfare benefit for a family of four rose last year by 1.7 percent, to $399 a month.

But Aaron A. Walker Sr., 35, who lives at a shelter for homeless people near Capitol Hill, said that "it irritates me" to hear Mr. Reagan talking about the strength of the economy. "The economy doesn't do anything for the homeless," he said. "Nothing trickles down this far. We are peons."

S. Anna Kondratas, an economist at the Heritage Foundation, a conservative research institute, said that "a large proportion of people living below the poverty level cannot be directly helped by economic growth because they are elderly or disabled or too young to work."

She estimated that at least 10 million to 15 million people were not directly helped by the economic recovery.

Other economists said this estimate was conservative. Sar A. Levitan, director of the Center for Social Policy Studies at George Washington University, put the figure at 20 million to 30 million.

How is it possible that millions of Americans may still be experiencing hardship after more than three years of economic growth?

In part, Mr. Levitan said, it is because "we started from a very low base, the deepest recession since World War II."

Susan E. Shank and Patricia M. Getz, economists at the Bureau of Labor Statistics, said in a recent article that "jobless rates for virtually all worker groups" at the end of 1985 were "still above those prevailing just before the onset of the 1980 recession."

For "men of prime working age," they said, the unemployment rate was "about one and a half times higher in 1985 than in 1979." The rate for men aged 25 to 54 soared from 3.6 percent in the fourth quarter of 1979 to 9.1 percent in the fourth quarter of 1982, then declined to 5.4 percent in the final quarter of 1985. It was 5.7 percent last month.

Those not participating fully in the economic recovery include diverse elements of American society:

- The Department of Housing and Urban Development estimated in 1984 that there were 250,000 to 350,000 homeless people in the United States. These are the department's latest figures. Those who work with homeless people, including the National Coalition for the Homeless, based in New York, put the number at 2 million

(Continued on Page 3, Col. 3)

Shultz Meets Ryzhkov in Stockholm

By William Drozdiak
Washington Post Service

STOCKHOLM — Secretary of State George P. Shultz and the Soviet prime minister, Nikolai I. Ryzhkov, have met for the first high-level assessment of U.S.-Soviet relations since the Geneva summit meeting in November. They expressed disappointment with the lack of progress in fulfilling the agenda outlined there.

The two met Saturday after the funeral of Olof Palme, the Swedish prime minister who was killed Feb. 28 by an unknown assassin.

The assembly of world leaders provided a forum for diplomatic consultations. Sweden, in extending invitations to the funeral, had encouraged rival parties to discuss their differences here as a gesture of esteem for Mr. Palme's devotion to world peace.

Mr. Ryzhkov, making his first trip to the West since his promotion last year, met with Mr. Shultz at the Soviet Embassy for nearly two hours. Afterward, Mr. Shultz described the session as a "very frank" review of the relationship since the Geneva talks between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

Mr. Shultz said that while Moscow and Washington had believed the outcome of the summit formed a good basis for progress in several

(Continued on Page 5, Col. 3)

Reuters

Javier Pérez de Cuéllar, the United Nations secretary-general, eulogizing Mr. Palme at the Stockholm ceremony.

INSIDE

AP

Arturo Hernández Grisanti, OPEC's president, was at the center of a dispute on the first day of its Geneva meeting. Page 9.

GENERAL NEWS

■ In Israeli-occupied Golan Heights, residents maintain an attachment to Syria. Page 2.

■ Poland is increasing prices of many food staples by up to 11 percent. Page 7.

■ An Ecuadoran general who led two rebellions has been captured in Quito. Page 3.

BUSINESS/FINANCE

■ The IMF is expected to approve a $2.7-billion trust fund to aid poorer countries. Page 9.

SPORTS

■ France and Scotland won Saturday to finish as co-champions in Five Nations rugby with 3-0-1 records. Page 15.

U.S. Medical Group Decides On Rules for Prolonging Life

New York Times Service

NEW ORLEANS — The American Medical Association has decided that it would be ethical for doctors to withhold "all means of life prolonging medical treatment," including food and water, from patients in irreversible comas even if death was not imminent.

The withholding of such therapy should occur only when a patient's coma "is beyond doubt irreversible and there are adequate safeguards to confirm the accuracy of the diagnosis," the association's judicial council said.

The new Principle of Medical Ethics is expected to influence courts and lawmakers in the law and ethics governing withdrawal of life support for the ill, said Dr. Nancy W. Dickey, chairman of the council. It could affect at least 10,000 Americans who are in irreversible comas, she said.

The council's opinion implies the approval of the entire 271,000-member medical organization. The association's opinion does not constitute a hard and fast rule for doctors, but it opens the way for them to withdraw life-prolonging treatment with less fear of being taken to court, and to use the opinion as a defense if they are challenged.

"The physician is under no obligation" to stop therapy under the new ruling, Dr. Dickey said.

Dr. Dickey said that the new opinion was "a clarification and

(Continued on Page 2, Col. 1)

Attachment to Syria Still Is Strong in Golan Heights

By William Claiborne
Washington Post Service

MAJDAL SHAMS, Golan Heights — To the more sentimental, the small hillock jutting from the slopes of Mount Hermon in this picturesque village is known as the Hill of Sorrow. But most of the 13,000 Druze residents of the Israeli-occupied Golan Heights call it the Shouting Hill.

There, at appointed hours almost every day, Golan Druze used to climb to the crest and, using portable loudspeakers, shout messages across a half-mile-wide (800-meter-wide) valley to relatives standing on a hilltop in Syrian territory. If the wind was right, families could carry on the equivalent of a dinner table conversation.

However, the Shouting Hill is silent now, blocked by a coil of barbed wire placed by Israeli Army troops earlier this month and a sign warning that it is a "closed military area." The hill was closed after a visit to the Golan Heights by Prime Minister Shimon Peres triggered protest demonstrations in which tires were burned, stones were thrown and 63 local youths were arrested.

It has been four years and three months since the Knesset, Israel's parliament, in a surprise move, annexed the Golan Heights and asserted Israel's sovereignty over the territory it captured in the 1967 Middle East war.

With the passage of time, Syrian nationalism among the Druze of the harsh, rocky plateau has risen and fallen, often in harmony with the level of bellicosity sounded in Damascus by the government of President Hafez al-Assad. It reached its peak during a four-month general strike in 1982, during which most Golan Druze refused to accept Israeli identity cards or work for Israeli employers.

Syrian nationalism appears to be on the rise again, coinciding with fresh warnings of the potential for war from Damascus and Jerusalem, although there is little hard evidence to suggest that an outbreak of hostilities over the Golan Heights is imminent.

Recently, at a Damascus rally marking the 23d anniversary of the Ba'ath Arab Socialist Party's rise to power, Mr. Assad warned that Syria would achieve a military balance and liberate Israeli-occupied territories. Before, the Syrian president had promised that the Golan Heights would one day be "the heart of Syria" and not its frontier.

The rhetoric has been matched by Israeli officials, including the army chief of staff, Lieutenant General Moshe Levy, who has said that Israel is strengthening its forces and bolstering its fortifications on the Golan, and that any Syrian attack would bring a decisive defeat for Mr. Assad.

In a series of briefings for Israeli and foreign journalists, senior army command officers suggested that Syria's strategy may be to reoccupy a small slice of the Golan with a brief armored thrust and then immediately call for disengagement negotiations to reopen the question of sovereignty over the territory.

While historical sovereignty was not the basis for the 1981 annexation, Israel has maintained that it was necessary to cement its control of the 500-square-mile (1,300-square-kilometer) territory, whose commanding topography had been used by the Syrians from 1948 to 1967 to shell Israeli kibbutzim in the Galilee valley below.

One senior Israeli military source said, however, that he did not think the Syrians would risk making such a move now in the face of a buildup of Israeli forces and strengthening of fortifications on the Golan Heights.

Israeli military command sources said that Syria now has a standing army of 460,000 troops and, since it withdrew most of its forces from Lebanon, has deployed three divisions on the Golan frontier, with three more divisions spread from the Golan to Damascus. The sources said that 2,000 of Syria's 4,100 tanks are deployed within quick striking distance.

Asked why Syria had turned up its rhetoric in recent weeks, a senior army source replied, "When you can't bite, you bark."

The Israeli officer said the rhetoric was accompanied by overt Syrian backing of radical Shiite Moslem guerrillas in southern Lebanon who have stepped up attacks on Israeli patrols and the Israeli-backed South Lebanon Army militia inside and just north of Israel's "security zone." The zone stretches from the Mediterranean to the foothills of Mount Hermon.

The guerrilla groups have killed six Israeli soldiers in recent months and have captured two more in ambushes in southern Lebanon.

Syrian nationalist sentiment among the Golan Druze often is rooted in family ties between those who stayed on the Israeli-occupied side in 1967 and the 130,000 Syrian Druze and Alawite Moslems who fled the advancing Israelis.

Israel has sought to contain that sentiment in numerous ways: shutting down the Shouting Hill, putting an end in 1982 to family visits at a border crossing, making Hebrew compulsory in Golan Heights schools and offering Israeli citizenship to all Golan residents.

Most Golan Druze have accepted Israeli identity cards, because, they say, they cannot work or travel without them. But many insisted in interviews conducted in Majdal Chams and in the other principal village on the heights, Masada, that they have not accepted Israeli identity.

"We want to be respected as Syrians living under Israeli occupation, and not as Israeli Druze," said Salman Fakhardin, a Majdal Shams contractor. "Our government is in Damascus, and our future will be decided in Damascus."

When asked whether anti-Israel sentiment in the Golan Heights was inspired by Syria, Mr. Fakhardin replied, "We are separated from Syria, so they can't decide what we should and shouldn't do. We decide ourselves."

He rejected Israeli assertions that Damascus exerts pressure on Golan residents through relatives in Syria to resist Israeli occupation, saying, "We don't need pressure to be patriotic."

Paris Envoy Is Optimistic On Release Of Hostages

Reuters

PARIS — France's unofficial mediator has returned from a four-day mission to Lebanon and Syria carrying new proposals for the release of three French hostages and expressing optimism that a breakthrough could be imminent.

Razah Raad said on his return to Paris on Saturday that he was "relatively optimistic, given that I was able to contact the kidnappers," adding: "I think they want to resolve the situation."

"There has been a change in the position of the kidnappers," Dr. Raad said. "They have softened a little."

He said that the Shiite Moslem kidnappers were holding Marcel Carton and Marcel Fontaine, two diplomats seized nearly a year ago, and a journalist, Jean-Paul Kauffmann, who was kidnapped last May, in separate hideouts in Beirut and the Bekaa Valley.

He said that he had returned with fresh proposals for their release but he declined to give details.

Dr. Raad, a Lebanese-born Shiite, was unable to confirm whether a researcher, Michel Seurat, had been killed, as his kidnappers said earlier this month.

"Some of the kidnappers told me he was dead, others said they were 95-percent sure he was dead," he said.

The extremist Islamic Jihad organization has said it is holding Mr. Kauffmann and the two diplomats. A four-man French television crew also was kidnapped March 8, apparently by another group.

Dr. Raad said that a central demand of the kidnappers was a change in France's policy in the Gulf war. Paris is one of Iraq's leading Western military suppliers.

They want "an opening of France toward Iran and a policy of neutrality toward the Iran-Iraq conflict," he said.

Dr. Raad said that representatives of the kidnappers he met in Lebanon had told him the Iranian government was not behind the kidnapping, but could use its influence to speed the hostages' release.

Separately, the Iraqi ambassador to France said Saturday that two Iraqi dissidents whose freedom has been linked to the hostage situation would be flown to Paris shortly. The development raised hopes that a solution could be in sight.

Islamic Jihad last week gave France until Sunday morning to "recover" the pair, who were expelled from Paris last month and immediately imprisoned on their return to Iraq. The ultimatum was timed to coincide with voting in French parliamentary elections in France.

The French ambassador to Tunisia, Eric Rouleau, left Tehran on Sunday after a three-day visit during which he had informal talks on the issue of the French hostages, diplomatic sources said.

WORLD BRIEFS

25 Protesters Held at Murdoch Plant

LONDON (Reuters) — Twenty-five persons were arrested and at least six others were taken to the hospital when 7,000 demonstrators tried to picket the new London printing plant of the publisher Rupert Murdoch, police and hospital sources said.

The demonstrators were trying to disrupt distribution of two of Mr. Murdoch's four publications late Saturday to protest his dismissal of more than 5,000 printworkers in a dispute over new technology. The police said demonstrators threw stones and other objects and damaged part of the fence around the plant.

Mr. Murdoch dismissed printworkers who produced his papers in Fleet Street when they went on strike after refusing to sign a no-strike agreement. He is producing two dailies, The Times and The Sun, as well as two Sunday papers, The Sunday Times and the News of the World, using new technology operated largely by electricians at the new plant in Wapping, East London.

9 Dead, 20 Hurt in Punjab Clashes

CHANDIGARH, India (Reuters) — At least nine persons were killed and 20 were injured in Punjab state on Sunday in clashes between Hindus and Sikhs and in attacks by Sikh extremists, the police said.

The trouble occurred as the Punjab chief minister, Surjit Singh Barnala, criticized the extremists and appealed to fellow Punjabis to maintain communal harmony. The extremists are fighting for an independent Sikh nation in Punjab.

The police said five persons died in the industrial town of Batala when clashes erupted between the state's minority Hindu community and majority Sikhs and when the police opened fire to disperse them. The police said that Sikh extremists struck again in Punjab, killing four persons and wounding four others in separate incidents across the state, raising the death toll there to at least 23 in two weeks.

Finnish Workers End Major Strike

HELSINKI (Reuters) — Finland's biggest labor conflict in 30 years ended over the weekend, when 250,000 blue-collar workers stopped a three-day strike that had halted foreign trade and production at vital paper and metal industries.

The strikes, called by the trade union confederation, SAK, over wage increases and working hours, ended Saturday when employers and the union signed a general wage agreement. Employers had estimated that 175 million Finnish marks ($34 million) was lost in production per day, in Finland's biggest labor conflict since a 19-day general strike in March 1956.

Union officials warned that labor unrest could continue in some sectors of trade and industry, service branches and among civil servants. Separate unions negotiating additional demands with employer organizations could decide on further stoppages, they said. The Seamen's Union said it would continue to strike, forcing truck drivers to take land routes instead of ferries to Sweden, a detour for some of several hundred miles.

Former Marcos Official Announces Formation of New Opposition Party

By Seth Mydans
New York Times Service

MANILA — A backer of Ferdinand E. Marcos has announced the formation of a new political party that would distance itself from the former president while offering a "loyal opposition" to President Corazon C. Aquino.

The move Saturday, by former Labor Minister Blas F. Ople, indicated the waning of Mr. Marcos's influence despite his efforts to retain a role through telephone calls from Hawaii.

"We feel he has betrayed our hopes and our trust," said Mr. Ople, who was closely associated with Mr. Marcos for more than 20 years. Mr. Ople said his new group, the Philippine Nationalist Party, had been joined by 14 members of the 200-member National Assembly.

There was no public reaction from Mrs. Aquino. But it was learned that she had obtained a written pledge from Mr. Ople saying that members of his party would support her in the Assembly.

Mr. Marcos's New Society Movement holds a two-thirds majority in the Assembly. But members supporting Mrs. Aquino say they are confident they can put together a majority.

The support of the Assembly is a crucial question as the new administration debates the possibility of declaring itself a "revolutionary government" to bypass a government apparatus left by Mr. Marcos.

One effect might be to disenfranchise the unicameral Assembly, and thus to reduce the significance of Mr. Ople's move.

Mr. Ople said at a news conference Saturday that the achievements of Mr. Marcos had been "permanently dimmed by a record of pillage without precedent in our history which is still unfolding and which has caused deep pain and contrition on the part of all those who worked sincerely and unstintingly for the Marcos administration."

He urged Mrs. Aquino, in exchange for his support, not to proclaim a revolutionary government, but to work with the Assembly.

"One important lesson learned," he said, "is that there is no substitute for a democracy based on a strong two-party or multiparty system, with the checks and balances that it provides and the complete freedom of debate and public accountability that it insures."

An Aquino adviser said a delegation of her backers in the Assembly also urged her recently to work with the Assembly and not to stifle a political opposition that would nourish a democratic form of government.

In a prepared statement, Mr. Ople and the other members of his new party said:

"There now exists a critical mass of evidence to show that the deposed president betrayed the trust not only of his nation, but also of his own party and the millions of Filipinos who voted for him. We are all agreed that not a single centavo of the so-called Marcos millions will be accepted by this party."

Blas F. Ople

■ 2 Marcos Allies Join Forces

Two Marcos allies have joined forces and have threatened to form a separate government on Mindanao, Reuters reported Sunday from Manila.

The report, which quoted the official Philippine News Agency, said Ali Dimaporo, a Moslem and the former governor of Lanao del Sur province on Mindanao, and Ruben Canoy, a Christian who was Mr. Marcos's information undersecretary in the 1970s, had formed the Mindanao People's Democratic Movement.

The two, the agency reported, said they would tap all forces opposing the government, including secessionist Moslem rebels, and "consider the possibility of establishing independence in Mindanao if harassment by the present administration continues."

Marcos Asks If Spain Will Accept Him

(Continued from Page 1)

United States. Corazon C. Aquino, the new Philippine president, has said she would not seek the extradition of Mr. Marcos and would not object to his remaining in the United States.

Mr. Marcos's first choice is Spain, which controlled the Philippines until defeated in the Spanish-American War in 1898, because he, like many Filipinos, still has an interest in Spanish culture.

At the time of Mr. Marcos's departure from Manila on Feb. 25, Spain said it was thinking about offering him haven.

According to State Department officials, Mr. Marcos had also initially expressed interest in leaving Hawaii for Singapore or some other member of the Association of Southeast Asian Nations to which the Philippines belongs.

But they said the new government in Manila let it be known that it would regard it as an unfriendly act if a country that belongs to the association permitted him to settle there.

Administration officials said Mr. Marcos, who is still living at Hickam Air Force Base near Honolulu, had become progressively more gloomy about staying in the United States.

He has also been involved in legal matters over his efforts to retain control over the money, valuables and documents that were taken out with his entourage on two U.S. Air Force transport planes.

Moreover, he has not been able to leave the base so far because of the publicity that follows his every move.

The possibility has been raised that Mr. Marcos, who has no diplomatic immunity, might be served a subpoena to testify before congressional committees or in various courts on matters ranging from his purported assets to human rights complaints.

Soon after his arrival in the United States, the Manila government ordered that the passports of Mr. Marcos and his party be revoked. It said they could be renewed only on a case-by-case basis. But State Department officials said American travel documents could be provided the Marcos family if arrangements were worked out for the family to go to another country.

Argentina Seeks Return of Ex-Official

WASHINGTON (NYT) — Extradition proceedings have begun for José López Rega, a former official of the Argentine government who was arrested in Miami last week and is being sought by Argentina to face charges of corruption.

Mr. López Rega, 69, has been described as the power behind former President Isabel Perón and has been linked to rightist extremist groups that killed hundreds of Argentine civilians in the 1970s.

The U.S. Federal Bureau of Investigation said its agents arrested Mr. López Rega on Thursday at Miami International Airport, where he surrendered after returning from a stay in the Bahamas. Officials said it appeared that Mr. López Rega, who fled Argentina 11 years ago and went into hiding, had lived in the United States for a time.

José López Rega

Peace March Breaks Up in Mojave

BARSTOW, California (AP) — The organization sponsoring the Great Peace March has folded, leaving the marchers in the Mojave Desert, only 120 miles into their planned 3,235-mile trek across the United States.

Members of the march began folding up their tents and heading home Saturday, but about 400 said they would continue under a different banner. A new organization, Great Peace March Inc., was announced at the campground 120 miles (190 kilometers) northeast of Los Angeles.

The founder of PRO-Peace, David Mixner, acknowledged Friday that his plan for an anti-nuclear weapons march had died, since he had failed to raise the $100,000 he said was needed by Friday to get the approximately 950 marchers across the desert to Las Vegas.

Libya Increases Military Aid to Sudan

KHARTOUM, Sudan (Reuters) — Libya will give Sudan more military aid, including training assistance, under a military cooperation accord signed in Tripoli last week, a high-ranking Sudanese Army official said Sunday.

The agreement was concluded during last week's visit to Tripoli by a delegation headed by Prime Minister Gazouli Dafaa Allah, General Taj al-Ain Abdullah, vice president of Sudan's Transitional Military Council, said in a statement. The delegation, the most senior Sudanese mission to Libya since the overthrow of President Gaafar Nimeiri last April, included Defense Minister Osman Abdullah Mohammed.

Mr. Abdullah did not say what form the military aid would take. Khartoum signed a military cooperation pact with Tripoli last year that included military equipment, causing concern in Egypt, its pro-Western neighbor and traditional ally. Sudanese officials insisted that accord did not amount to a military pact.

For the Record

About 20,000 Salvadoran supporters of President José Napoleón Duarte marched in San Salvador on Saturday to counter anti-government criticism by centrist and leftist labor unions. *(NYT)*

A strike by Trans World Airlines flight attendants has entered its second week with no likelihood of negotiations in sight. *(UPI)*

Lincoln Kaye, Jakarta correspondent of the Far Eastern Economic Review, said Saturday that he would leave Indonesia on Sunday after the government refused to renew his visa. He is the sixth foreign journalist to be forced to leave Indonesia since June 1984. *(Reuters)*

Group Sets Doctors' Rules

(Continued from Page 1)

expansion" of the council's previous opinions on terminal illness. Those opinions said in part that "for humane reasons, with informed consent a physician may do what is medically necessary to alleviate severe pain, or cease or omit treatment to let a terminally ill patient die, but he should not intentionally cause death."

Although many physicians have interpreted the older opinion to mean they could withhold food and water, others did not.

The commission also said that the terminally ill patients should be allowed to halt treatment if they were mentally competent.

Qadhafi Pledges To Defend Sidra 'Line of Death'

Reuters

LONDON — The Libyan leader, Colonel Moamer Qadhafi, has described U.S. naval exercises off the North African coast as a threat to peace and warned that a line across the mouth of the Gulf of Sidra was "a line of death."

The Pentagon said Friday that U.S. naval vessels and warplanes would hold weekend maneuvers in the Mediterranean north of Libya, the third such exercise this year.

Tripoli Radio quoted Colonel Qadhafi as saying: "At this moment, U.S. fleets are creating a disturbance in the Mediterranean, seeking to threaten the peace and security of the sea and its peoples and transform it from a sea of trade, peace, culture and stability into a sea of war and destruction."

The radio, monitored by British Broadcasting Corp., said he was addressing the opening session in Tripoli on Saturday of an international conference on resistance to "imperialism, Zionism, racism, reaction and fascism."

Libyan planes had carried out more than 1,500 sorties to "confront" more than 3,000 missions by U.S. aircraft, Colonel Qadhafi said. He described 32.5 degrees north latitude across the mouth of the Gulf of Sidra as "the line of death," adding: "For it we are actually prepared to die."

French Rightists Bomb Magazine

The Associated Press

PARIS — A rightist group opposed to African immigrants in France claimed responsibility early Sunday for the bombing of the Paris headquarters of the weekly magazine Jeune Afrique, according to French news reports.

The explosion Saturday night caused extensive damage, but no injuries. Jeune Afrique is a moderate, left-of-center weekly that covers cultural and news events in both Arab North Africa and in Africa south of the Sahara.

A telephone caller claiming to represent the "Charles Martel Club" told Agence-France Presse that the attack was carried out "in the context of our battle against the frightening African invasion." Charles Martel was the French leader whose army stopped the Arab invasion in Poitiers, France, in 732.

General Dynamics Given Contracts

Reuters

WASHINGTON — General Dynamics Corp., twice suspended in the past year from receiving new U.S. government contracts because of federal indictments charging the company with defrauding the government, has been awarded $1.37 billion in Pentagon contracts for jet fighters and a nuclear missile submarine.

The U.S. Air Force awarded the company two contracts totaling $786.1 million Friday to build F-16 jet fighters and the U.S. Navy awarded the company $587 million to begin work on the country's 13th Trident ballistic missile submarine.

The Pentagon lifted its latest suspension order against General Dynamics last month.

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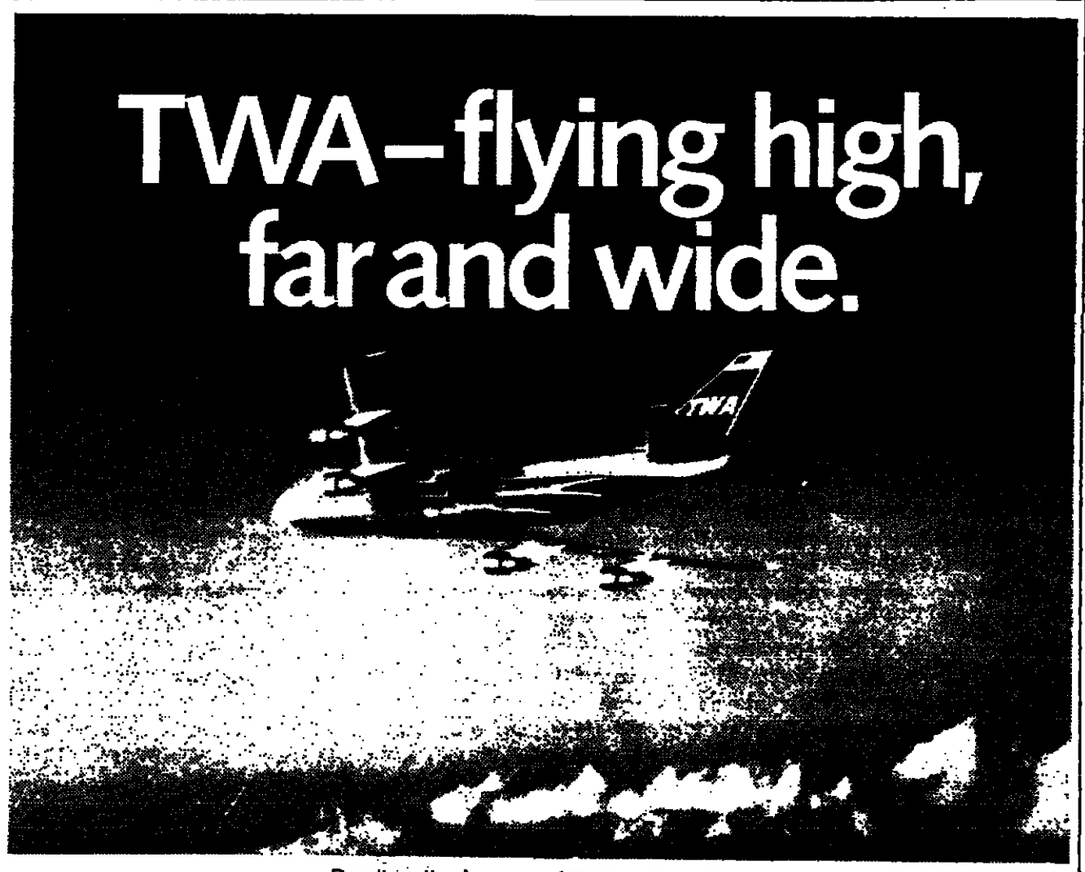

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AMERICAN TOPICS

Texas Farm Chief Takes the Offensive

The Texas secretary of agriculture, Jim Hightower, has been barnstorming rural America urging a radical change in U.S. farm policy. Unlike the current program, which lowers prices to make U.S. commodities more competitive around the world, Mr. Hightower would limit production. He said this would mean no surpluses, thus no government payments to farmers and no storage costs.

Prices probably would be higher, and that is a chief reason that a similar program failed in Congress last year.

"A lot of people tell me that I've become the leading idea man in American agriculture," he said. "If that's true, I'd just like to say there weren't too many people to push out of the way."

Mr. Hightower, 43, gained a national reputation in the 1970s as a founder of the Washington-based Agribusiness Accountability Project, which published several reports attacking the system that produced U.S. industrial-style farming. A former editor of the muckraking Texas Observer, he won the commissionership, an elective office in Texas, in a landslide four years ago. According to The New York Times, he readily acknowledges ambitions to run for governor of Texas or a U.S. Senate seat in 1990.

"You can still make a small fortune in agriculture," the commissioner likes to say. "Problem is, you got to start with a large one."

Short Takes

The National Park Service has limited the size of protest signs in Lafayette Park, across Pennsylvania Avenue from the White House, and said they must be carried or accompanied at all times. Supporters of the restrictions complain that a few demonstrators have turned the park into an eyesore. Opponents say the rules infringe on free speech and ignore the park's history as a protest site.

Popsicles, frozen soda pop on a stick, will no longer be sold in double sticks at supermarkets, but only in single sticks. After more than 50 years, the makers now say that mothers are unhappy "with the inconvenience and messiness of the twin-stick size." The two-stick treat could be split between two friends, or between a youthful swain and his best girl. A 12-pack of doubles costs about $1.50; a 12-pack of singles will be priced at $1.50 as well.

Duffy's Shamrock Bar in Denver is to remain closed for the St. Patrick's Day parade. Len Lombardi, the co-owner, said that in past years, "It was a very profitable day but just not worth the brain damage and aggravation." He said the place became crowded "to the point we were taking booths and tables out." He added, "A guy could get killed here and be on his feet for an hour."

Shorter Takes: The Pentagon has decided to build its annex on one of its parking lots. The annex will have 3 million square feet (278,000 square meters) of office space. The present building has 3.6 million square feet. ... The Pentagon also has decided against raising the cut-rate price of cigarettes at military post exchanges, but is limiting the locations where smoking will be allowed and will conduct an extensive anti-smoking campaign. ...One casualty of the fitness campaigns of recent decades to limit weight and cholesterol has been U.S. per capita egg consumption, which has tumbled from 360 in 1955 to 261 last year.

Notes About People

Farm problems and a resulting budget crunch have prompted Governor Terry E. Branstad of Iowa to insist that the state government be "downsized." Mark Wampler, a state transportation department employee, said money could be saved by downsizing the state itself: giving six western counties to Nebraska, 30 northern counties to Minnesota and so on east and south. Mr. Branstad, who is expected to run for re-election this year, and who lives near Iowa's northern border, vetoed the idea, explaining, "I'd be in Minnesota."

WP

Terry E. Branstad

According to a story recounted when the veteran motion picture writer and director Billy Wilder, now 79, was given the American Film Institute's Life Achievement Award, Mr. Wilder once told Sam Goldwyn, the producer, that he wanted to make a film on the dancer Nijinsky. No, said the producer, it would be too sad, since Nijinsky ended his days in a mental institution, believing he was a horse. "My version," replied Mr. Wilder, "will have a happy ending. We wind up showing him winning the Kentucky Derby."

— Compiled by
ARTHUR HIGBEE

Ecuadoran General Who Led 2 Rebellions Is Captured in Capital

Reuters

QUITO, Ecuador — General Frank Vargas Pazos, the air force general who staged two rebellions last week, was captured when government troops stormed an air base here and will be court-martialed, according to newspaper reports.

General Vargas was originally reported to have escaped when government soldiers retook the base in the capital Friday in a 90-minute assault backed with tanks.

Newspapers in Guayaquil, 250 miles (400 kilometers) south of Quito, quoted unidentified official sources as saying that General Vargas, 53, would be tried by "an appropriate military court" for insubordination, the reason cited for his dismissal by President León Febres Cordero on March 7.

The government said that four persons were killed in the battle to dislodge General Vargas and troops loyal to him from the air base alongside the international airport in Quito.

General Vargas was discovered hiding in a canteen with two of his officers after the gun battle, newspapers quoted government sources as saying. He was taken to a Quito military camp, where he is being held under close guard.

The government said that about 200 troops loyal to the general and about 200 civilians also were arrested.

The national state of emergency imposed by Mr. Febres Cordero to deal with the mutiny was expected to be lifted in the next few days, officials said.

The government said a ban on four radio stations that had broadcast statements by General Vargas during his mutiny was being lifted.

Mr. Febres Cordero appointed a committee of generals Saturday to look into General Vargas's charges that the defense minister, General Luis Piñeiros, and the army chief of staff, General Manuel Albuja, had embezzled military funds.

The National Congress is to meet in special session on Tuesday to discuss the embezzlement accusations and the political crisis resulting from the mutiny.

The government inquiry was one of the concessions made by Mr. Febres Cordero so that General Vargas would surrender the Pacific coast air base at Manta, 265 miles (430 kilometers) southwest of Quito, which he had seized in his first act of rebellion last week after being dismissed.

Upon his surrender, General Vargas was confined on the air base at Quito.

Then, on Thursday, he was freed by followers and took control of the Quito base, saying Mr. Febres had not kept his promises. He called on civilians to march on the presidential palace. Troops retook the base Friday.

Western diplomats said Mr. Febres Cordero's success in putting down the rebellion firmly, with a relatively low loss of life, could enhance the authority of his government.

The test of Mr. Febres Cordero's popularity after the crisis, the worst in Ecuador for a decade, will come in congressional elections early in June, the first national voting in Ecuador since the conservative president was elected in May 1984.

Texas Town Never Knew 'Subversives' Were Nearby

By David Maraniss
Washington Post Service

HARLINGEN, Texas — The citizens of Harlingen would like to know what kind of car President Ronald Reagan drives.

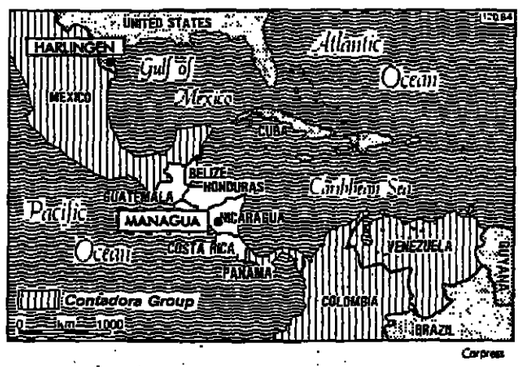
They are also curious as to whether he ever stops to stretch his legs during long trips. And they wonder if perhaps he exceeds the speed limit when he hits the open spaces.

Answers to those questions would help them figure out what Mr. Reagan meant recently when he declared that Nicaragua was "a privileged sanctuary for terrorists and subversives just two days' drive from Harlingen, Texas."

The driving distance between Harlingen, the distribution hub of the Lower Rio Grande Valley, and Managua, the capital of Nicaragua, is 2,028 miles (3288 kilometers). The highways have two lanes and a variety of obstacles: roadside burros, cows, dogs and bicyclists.

There are circuitous routes through mountains and tedious stretches across deserts and through cities. Choluteca. Tegucigalpa. Guatemala City. El Jocote. Telixtlahuaca. Puebla. Mexico City. Ciudad Victoria. Matamoros. Brownsville. Harlingen.

Not an easy trip, as thousands of illegal aliens can attest. Experienced truck drivers take three to four days. Three days is pushing it.



"You've gotta have it floored the whole way and never stop to make it in two, I would think," said David Allex, president of the Harlingen Chamber of Commerce.

"I looked at the map the other day and shook my head," said Samuel Lozano, Harlingen's mayor. "You have to drive through the mountains of Honduras and Guatemala just to get to Mexico, and then it's 1,200 miles through Mexico. I would say that trip would tax a person."

It has been two weeks since the president placed Harlingen in the realm of geopolitical rhetoric, and people here are still baffled by his statement and the attention it has received.

With a key congressional vote on Nicaragua coming up this week, national columnists and cartoonists have had a fine time playing with the idea of this quiet, unprepossessing city, 18.6 miles from the Mexican border, as a first line of defense against the Sandinists.

The Marine Military Academy and Ghost Squadron of the Confederate Air Force, two local outfits with defense connotations, have received more publicity than they had in years.

But in Harlingen, the whole thing is no big deal.

The local daily newspaper, The Valley Morning Star, has run one line about the episode, and that was in a wire story from Washington. "Why should we make anything of it?" asked Edd Clark, city editor. "It was just another politician running off at the mouth.

"Personally," he added, "I'm more concerned about Republicans and Democrats than I am about Marxist-Leninists. I think the only reason Reagan mentioned us is that Harlingen was the closest place to the border that had enough Republicans to make it worth defending."

Harlingen, though it elects Democrats locally and is 70 percent Hispanic, is Reagan country.

But when it comes to whether the United States should send military aid to the rebels seeking to overthrow the leftist Nicaraguan government, Harlingen appears to be no different from Congress and the rest of the country: unconvinced.

"I support President Reagan on some things, but I think we're meddling a little too much in the affairs of other countries right now," said Rodric Morrogh, a safety engineer, as he strolled through the Valle Vista Mall.

At the edge of Harlingen on Highway 77, the route up from Mexico, stands the Texas Tourist Bureau, a gleaming new facility with a reflecting pool.

Sam Martinez, the manager of the tourist office, said he had seen Nicaraguans there on occasion.

"I would say very seldom do we get them," he said. "They are illegal aliens, mostly. They huddle over there near the drinking fountain and take turns using the facilities."

Officials Say Reagan May Compromise on Aid to 'Contras'

By Gerald M. Boyd
New York Times Service

WASHINGTON — White House officials say that with the possibility of a House defeat of President Ronald Reagan's aid request for Nicaraguan rebels, Mr. Reagan is prepared to compromise on how and when the assistance from the United States is provided.

A senior White House aide said Friday that despite public disclaimers of any interest in compromise by Mr. Reagan and other administration officials, White House legislative strategists were actively exploring several options that have been suggested on Capitol Hill, including one presented by Bob Dole, the leader of the majority Republicans in the Senate.

The aide said that Mr. Reagan remained firm on the need for $100 million in aid but that he was prepared to accept a delay in distribution of the money. The aid would provide $70 million for military assistance and $30 million in so-called humanitarian help.

Some legislators have suggested linking a 60- to 75-day delay in distributing the aid to the start of negotiations between the U.S.-backed rebels, known as contras, and the Nicaraguan government.

"Our attitude is we do not wish to compromise on the basic idea or on the amount of money," the senior White House official said. "The basic idea is that there are people are who willing to fight for their freedom against Communists in Nicaragua. We think that the American people should help them and we think that $100 million of aid over the next 18 months is needed by them. We will not compromise on that."

But, he added, "There are some attempts being made to effect a compromise on the implementation of how and when this money is passed to the contras." He said that Mr. Reagan had showed "a willingness to discuss such ideas."

The officials said administration officials had been discussing such proposals on Capitol Hill with several legislators, including Mr. Dole, Representative Ike Skelton, a Missouri Democrat, and Representative Dave McCurdy, an Oklahoma Democrat.

[White House and congressional vote-counters agreed that Mr. Reagan was about 15 votes short in the Democratic-controlled House, The Washington Post reported Saturday. Mr. Reagan is expected to engage in intensive personal lobbying of House members before the vote on his request Thursday.

[Meanwhile, Mr. Reagan used his regular Saturday radio address for the second consecutive week to build a case for aid to the rebels. He said that he had received new evidence that Sandinist security agents have dressed as rebel "freedom fighters" to "murder and mutilate" Nicaraguan civilians.

[He spoke from Camp David, Maryland, while preparing for a televised address Sunday that is intended to promote public support for the aid package.]

The chairman of the Senate Foreign Relations Committee, Richard G. Lugar, said Saturday that the administration should provide money to the Nicaraguan insurgents, but withhold military aid if the Sandinists agreed to a series of internal changes.

Mr. Lugar, an Indiana Republican, said alternatives that would delay the financing in the hope of achieving negotiations would be counterproductive.

Mr. Lugar's support was viewed by White House officials as critical in the congressional vote.

Defense Department officials said Thursday that the president was prepared to send military advisers to train rebels fighting the Nicaraguan government if Congress approved the aid request.

Larry Speakes, the White House spokesman, said Saturday the United States had no plans for U.S. involvement in Nicaragua.

But he said the administration might increase the number of U.S. trainers in Honduras if Congress approved an administration request to lift restrictions barring them from instructing the rebels.

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10-15 Million Left Out of U.S. Recovery

(Continued from Page 1)

to 3 million nationwide. Officials in New York, Boston, Nashville and Salt Lake City said the economic recovery had not lessened the problem of homelessness because it had not addressed the causes, such as the shortage of low-cost housing and the lack of services for the chronically mentally ill.

- Farmers in some states are still in economic distress. Calvin L. Beale, the Agriculture Department demographer, said that "Iowa is the epicenter" of the depression, but that farmers in Missouri, Kansas, Nebraska, North Dakota, South Dakota, Georgia, Texas and other states also were experiencing hardship. Ronald L. Meekhof, an Agriculture Department economist, estimated that 10 to 15 percent of the nation's 2.2 million farmers were in severe financial difficulty.
- In 1984, the last year for which statistics are available, there were 33.7 million poor people, including 11.5 million children under the age of 15 and 3.3 million people 65 or older.
- About 2.1 million people worked full time throughout 1984 but were still below the official poverty level, according to the Census Bureau. This group included 1.2 million heads of household.
- Of households with children under 6 years old, 2.8 million were headed by women and 1.7 million of these families were poor. One-third of the poor women who headed households were working at some point in 1984, but only 100,000 held year-round full-time jobs, the Census Bureau said.
- About 5.4 million people who wanted full-time jobs had to settle for part-time work last month, according to the Bureau of Labor Statistics.
- There were 1.2 million "discouraged" workers at the end of 1985, as against 771,000 in 1979 and 1.6 million in 1982. The Labor Department defines discouraged workers as people who say they want a job, but are not looking for one because they believe their search would be futile. These people are not counted as unemployed.
- Purchasing power, after adjustment for inflation, seems to have stagnated, at least temporarily. Average hourly earnings, expressed in terms of 1977 purchasing power, have been virtually unchanged at $4.89 for the last three years, according to the Bureau of Labor Statistics.

There were 8.5 million people out of work last month, and 65 percent of them were not receiving unemployment insurance. In recent years, federal and state officials have set more stringent eligibility criteria for these benefits.

Reagan Blurs Distinctions Of Right, Left

(Continued from Page 1)

of the United States with a flawed human rights record.

In his statement, Mr. Reagan said one of the critical developments of the last decade was "democratic revolution, a trend that has significantly increased the ranks of those around the world who share America's commitment to national independence and popular rule."

"The people of the Philippines are now revitalizing their democratic traditions," he said. "The people in Haiti have their first chance in three decades to direct their own affairs. Advocates of peaceful political change in South Africa are seeking an alternative to violence as well as to apartheid."

"All these efforts evoke the deepest American sympathy," he said. "American support will be ready, in these countries and elsewhere, to help democracy succeed."

Admiral Poindexter said: "The whole point of the president's message Friday is that different policies have to be used in different cases."

"We need different policies toward Communist dictatorships that repress their own people and subvert their neighbors," he said, "different policies for nondemocratic regimes that are slowly evolving toward democracy and different policies for nondemocratic regimes in which there is no viable democratic center and the only alternative is chaos or a new dictatorship."

Prisoner Escapes in India

Reuters

NEW DELHI — Charles Sobhraj, one of India's best known prisoners, overcame guards with gas and escaped Sunday from Delhi's top security prison, the police said. Mr. Sobhraj was accused in the 1970s of a series of crimes in which he was alleged to have drugged, murdered and robbed tourists.

Brazil Bishops Pledge 'Adherence' to Vatican

By E.J. Dionne Jr.
New York Times Service

ROME — Brazil's Roman Catholic leadership ended a meeting with the Vatican on Sunday with an expression of "full adherence" to the teachings of Pope John Paul II, but apparently without any agreement to settle differences that have divided the Brazilian church.

In an unusually frank sermon to the 21 bishops Saturday night that was made public Sunday, the pope referred openly to differences between progressive and conservative elements of the Brazilian bishops conference.

"I'm sure that I would not be misunderstood," John Paul declared, "if I would say that it is better to take a small step in the direction of unity within the conference rather than many steps that might break unity."

"The respected pastors of a great church did not seek to hide," he said, "but were ready to recognize problems and obstacles, the limits and voids which afflict the church."

The pope referred to the encounter as "an adult dialogue between men, Christians and pastors, a dialogue among the Brazilian bishops themselves."

"The dialogue should continue," the pope said. "It must continue."

The Brazilian Catholic Church has been divided by issues of politics and church structure, notably the theology of liberation, which emphasizes the church's commitment to the poor and sometimes borrows concepts from leftist political theories.

A large share of the Brazilian church leadership backed the Reverend Leonardo Boff, a theologian silenced by the Vatican for his criticisms of the hierarchical structure of Roman Catholicism. Officials have suggested that the order might soon be lifted.

The meeting with the 21 Brazilians was seen as an effort by the pope to reassert Vatican control over the Brazilian church. One of the few Brazilian church leaders who spoke openly after the meeting joked about speculation over papal pressure.

"No, no, the pope did not pull our ears," said Bishop Luciano Mendes de Almeida, secretary-general of the bishops conference. "Look at my ears: They are white and small and perfect. It was a very brotherly meeting."

Vatican officials speaking privately said they were not disappointed by the lack of agreement.

"It's better to be realistic," said a top Vatican official, referring to the pope's sermon. "There emerged different points of view, which is what we expected."

Bishop Angelico Sandalo, the auxiliary bishop of São Paulo, said of the encounter, "We believe that many of the misunderstandings have been cleared."

The top Vatican official said that Cardinal Joseph Ratzinger's presentation of a new Vatican document on the theology of liberation had been well-received by the bishops.

Cardinal Ratzinger, the prefect of the Congregation for the Doctrine of the Faith, has sharply criticized the theology in the past for what in his view was its reliance on Marxist concepts.

"The people belonging to the left, they expected something stronger," the official said of the cardinal's document. "So they seemed pleasantly surprised."

One of the key elements of the new paper, Vatican officials said, is its effort to move the discussion away from what has come to be known as "the preferential option for the poor."

The document seeks to replace the phrase, which has been repeatedly endorsed by Latin American prelates, with an expression of the church's "preferential love for the poor."

The distinction, a Vatican official said, is intended to emphasize the "moral character" — as distinct from the political character — of the church's commitment to poor people.

The document, Vatican officials said, also emphasizes the church's concern for not only the materially poor, but also the spiritually impoverished. It thus seeks to combat an interpretation of Christianity that would exclude the well-to-do from the church's concern.

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Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

Dollar: No Quick Miracles

Doctor Coue claimed that sickness can be avoided by auto-suggestion. Is the American economy going to bear this out? Or will it substantiate the dictum of France's equally famous Doctor Knock that health is transitory and heralds nothing good?

Even stern critics of Reaganomics are currently emitting optimistic prophecies which could prove self-fulfilling. They cite the falling price of oil, declining interest rates, hope of a real attack on the budget deficit and better competitive ability as the dollar falls. This blessed combination of circumstances could revive the economy without reawakening inflation, and arrest its plunge into foreign debt.

But there is a flip side to every disk. Falling oil prices reduce America's import bill. But since they also reduce the incomes of the oil exporters, they shrink the markets for many of America's best foreign sales. Declining interest rates may simply be the mirror-image of a falling desire of industry to invest and of consumers to buy on credit. The attack on the budget deficit is still more honored in the breach than the observance: The rift between the White House and Congress is stark, and the Gramm-Rudman act has still to prove its worth. But the real threat to self-fulfilling optimism, and to sensible behavior by the main actors in the economy, lies in the near-term fragility of the hopes based on the cheaper dollar.

The yearlong decline of the dollar (already some 25 to 30 percent on average) isn't going to shrink America's huge trade deficit fast. Last year's deficit was $150 billion, two thirds of which accrued to countries other than the much criticized Japan, and in recent months the red figures have been even higher. No one should be surprised. The initial effect of a devaluation invariably makes a trade deficit worse rather than better. It costs more dollars to import the same amount of goods and it is slow work getting domestic producers geared up to replace them. It takes time, too, before falling profit margins deter foreign suppliers from their onslaught on the American market. And the interval before American exporters take advantage of their new competitive advantage abroad can be extremely long.

None of this ought to inspire pessimism as to the eventual outcome of America's devaluation. When Britain, the other world currency, devalued in 1967 it took a good two years before the benefits showed up in the trade account. It is important to recognize the need for patience.

If America becomes depressed by the failure of devaluation to work miracles fast, new waves of protectionist clamor and accommodating government action are likely. Hints of this are already apparent: The long list of American import barriers risks now being extended to machine tools. The inevitable delay before the cheaper dollar has its effects must not breed defensive reactions based on misplaced pessimism. Unfortunately, protectionism is not dead — and hardly sleeping. It is the surest way to bring the world economy spiraling down and make the devaluation weapon impotent.

INTERNATIONAL HERALD TRIBUNE.

Managua: Talks Are Needed

The Reagan administration is right to take Nicaragua as a serious menace — to civil peace and democracy in Nicaragua and to the stability and security of the region. Some of its rhetoric is easily mocked, but the administration understands things much better than those who paint the Sandinists as poor, put-upon patriots of a mischievous but unthreatening leftist persuasion. There is no good reason to doubt the Sandinists are revolutionary Communists who would if they could make their country a second Cuba: a police state and an outpost of Soviet power. To defeat Anastasio Somoza, they lied to the hemisphere that they were pluralists and democrats. To get aid from Jimmy Carter, they told more lies of their peaceful intent. They are squeezing the remaining pluralistic forces, and their subversive capability is evident.

The question is, what should be done about it? More precisely, since this is the seventh year of the revolution and the fifth year of the counterinsurgency and many political facts already exist on the ground, what can be done about it? Judgment must temper ardor, for all possibilities are not equally open.

The first requirement is a general explicit agreement among Americans to draw certain geopolitical lines: no Soviet bases, no weapons of regional intimidation. The United States needs to make sure the Kremlin knows where these lines are. America needs to pledge to itself it will counter the Soviet probes.

Then the United States needs to do what is necessary to block and defeat efforts by Nicaragua, with or without its Cuban and Soviet patrons, to subvert other Central American countries. Naturally this can only be done with the consent and cooperation of the countries affected. The whole argument over the "contras," or rebels, illustrates the foolishness of imagining that El Salvador's large guerrilla force could stay in the field for two weeks without Nicaraguan support.

What about the contras? They have become an instrument to topple the Sandinists or to deny them a monopoly of power. But they are an imperfect instrument. The credentials and field performance of the effective military leadership do not fit the democratic and humane purposes avowed by the political leadership. Their American sponsorship lets the Sandinists depict them as inheritors of earlier Yankee interventions. Their American sponsorship also denies them the necessary warm support of almost all other Latin countries, whose fear of Communist subversion is offset by a reluctance to endorse what they see as American armed intervention.

But, as the administration says, would not these difficulties dissolve if the United States ended its hesitancy on the contras and provided them the resources and American policy constancy they need to prevail? The record suggests that the Sandinists would stiffen, close out the lingering traces of domestic pluralism and seek additional support. Other Latins, fearing the whirlpool, would distance themselves further from Washington.

The other Latins include Nicaragua's near neighbors and the South American democracies. They have found it next to impossible to gain political concessions from the Sandinist regime while it faced what it has regarded as a threat to its very existence. While Managua sees the issue as survival, no real concessions are likely, and even then they would be hard in coming. In this sense, the administration's insistence that the Sandinists are irredeemable becomes, as does its critics' insistence that the contras cannot win, a self-fulfilling prophecy.

We believe, nonetheless, that serious negotiation offers a route to the loosening that internal reconciliation and regional stabilization require. It counts that Nicaragua is not Cuba: not an island, necessarily more open to its neighbors, harder for Moscow (or Havana) to protect and sustain. It counts that inside as well as outside Nicaragua there remain important elements devoted to the best interests of their country. It counts that Latin America is caught up in a historic sweep toward democracy and that the Latin democracies are available to tug and haul on the parties, to draw away some of the Sandinists' paralyzing paranoia and to put the administration's effort in a multinational context.

— THE WASHINGTON POST.

What the Law Says on the Marcos Fortune

By Lloyd N. Cutler

WASHINGTON — The new Philippine government believes that former President Ferdinand Marcos and his family misappropriated millions, perhaps billions, of dollars of public funds, and that most of the loot is hidden in the United States. The new government is attempting to get it back.

The situation is reminiscent of the flight of the shah of Iran in 1979. The government of Ayatollah Ruhollah Khomeini was convinced that the shah and his family had made off to America with at least $25 billion and demanded that the United States deposit this sum as a ransom for the release of Americans being held hostage.

President Jimmy Carter refused on principle. Besides, his best intelligence was that the shah had taken out at most some $60 million, plus large but worthless shareholdings in Iranian companies, and that most of the money was in Switzerland and not in the United States. We agreed to freeze the shah's U.S. assets until Iran could make its case, but hardly anything was found.

The Marcos millions or billions in America may also turn out to be an iridescent dream. But several legal channels are open to President Corazon Aquino to find out what is there and prove her government's right to get it back.

President Ronald Reagan cannot issue a freeze order, as in the case of the shah's assets, because he has not previously declared the kind of emergency threat in the area of the Philippines that is the statutory requirement for such an order, and he has no basis for doing so now.

But if the Aquino government can make a preliminary showing to an American court that it has substantial evidence of misappropriation, it could obtain an injunction restraining Mr. Marcos from disposing of such assets before the Philippine government has a chance to prove it is the rightful owner.

This proof could then be developed in a Philippine civil-court action against Mr. Marcos and his departed retainers, assuming that the Philippine government could successfully serve them with process in Hawaii. Mr. Marcos could not be extradited on a civil charge, and Mr. Reagan has discretion to refuse extradition on a criminal charge.

The Philippine court judgment could then be enforced by an American court against the Marcos party and their U.S. property, so long as the American court satisfies itself that the Philippine trial was fair.

The Philippine government could also bring its own civil action against Mr. Marcos in American courts to recover stolen property located in the United States. The liberal American discovery procedures would require the Marcos group and its American financial agents to testify and produce records concerning holdings anywhere in the world.

Mr. Marcos may have broken criminal-conspiracy laws relating to foreign aid, bribes and U.S. taxes.

The Marcos group would not enjoy sovereign immunity, and even if Mr. Reagan should want to, he could do nothing to protect them against the all-embracing grasp of the American legal system. Like other private residents of this country, Mr. Marcos and his friends stand exposed to the travails and costs of lawsuits American-style.

What the Aquino government will get out of it all depends on how much the Marcos clan really got away with, and how much they were shortsighted enough to stash within the reach of American laws. Mr. Marcos may also have violated American criminal-conspiracy laws relating to the misappropriation of foreign aid, the payment of bribes and the nonpayment of American taxes. The U.S. government is now investigating such charges.

Whether this will be a help or a hindrance to the Aquino government depends on how much access American authorities allow to the records they acquire, and when this access is permitted.

The U.S. government's "detention" of the property and records the Marcos party carried to Hawaii can also be a help or a hindrance. Because of the manner of the party's arrival, the Customs Service detained these items and is now making an inventory to decide whether they can lawfully be imported. And since the property and papers are claimed by both the Marcos party and the Aquino government, the United States has quite properly decided to leave the ownership issue to American courts. It plans to file what lawyers call a bill of interpleader, which gives the court control over the detained items, and the right to decide who gets them.

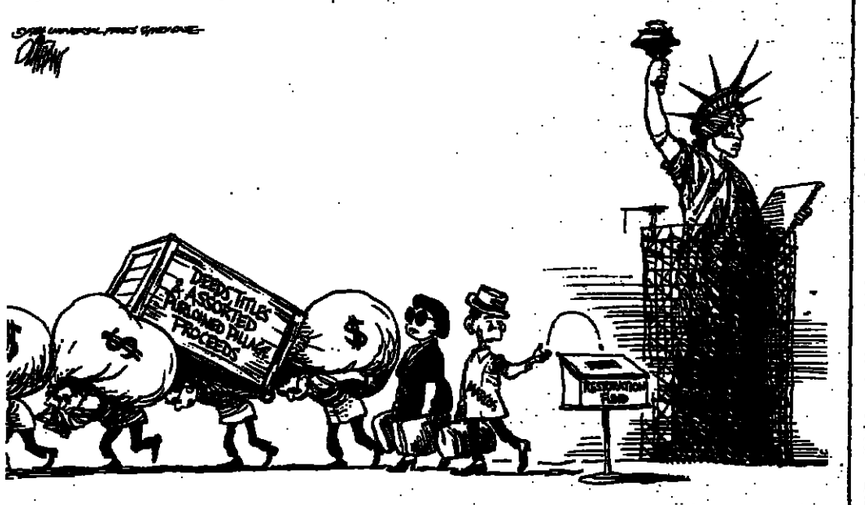
The crucial question is whether the administration agrees to let the Aquino government have access to the papers pending the court's decision on their ownership, or whether the Department of Justice will try to keep them until its own criminal investigations are concluded.

The date, in Adelaide's immortal line from "Guys and Dolls," could be the "12th of Never." But the administration's record of cooperation with the Aquino government so far suggests a happier outcome.

Mrs. Aquino can obtain one other personal satisfaction from the American legal system. Under America's Alien Tort statute, which permits one alien to sue another for a legal wrong committed abroad in breach of the law of nations, she could bring a damage action against Marcos retainers, perhaps even the former president himself, if she believes they participated in a conspiracy to murder her husband.

If proof becomes available, the weight of a U.S. judgment in world public opinion would be of greater value than the damage award.

The writer, who was counsel to President Jimmy Carter, contributed this view to The Washington Post.



Years of Injustice Drove the Filipinos to Act Boldly

By Benedict J. Tria Kerkvliet

HONOLULU — As President Corazon Aquino has repeated, the heroes and heroines of recent events in the Philippines were "the people," most dramatically the thousands seen on American television kneeling or sitting in front of approaching tanks.

One way to explain this profound resolve is through *patong-patong* — a Tagalog expression for an image of layers upon layers of hardships, indignities and oppression. Rather than drive people further into the ground, these layers build to a point where citizens act decisively, boldly.

Awesome underemployment, falling wages and other deteriorating economic conditions combined to form the first layer over the past 15 years. The middle class, small even before the presidency of Ferdinand E. Marcos, had shrunk, while the poor had grown to over 60 percent of the population. Abusive and lawless elites and authorities compounded the problem.

The second layer was the Marcos government itself. A minimum expectation of government is that officials give some public service, acknowledge the intelligence of the citizens and show restraint if using their positions and the government's funds to enrich themselves. Since at least the mid-1970s the Marcos government failed on all counts. To the people it gave broken promises and repression while Mr. Marcos and his wife, Imelda, along with their relatives and friends, accumulated wealth estimated in the billions.

Resistance and opposition grew. Thousands joined rebellions. Tens of thousands became active in organizations trying to ameliorate local conditions. Millions became bitter and cynical.

Because of fear, preoccupation with trying to make ends meet or other inhibitions, the people could only show their disgust in public occasionally. But in some local elections they voted into office candidates who criticized the Marcos government. They also waged strikes and conducted demonstrations. The biggest demonstration occurred when millions escorted the murdered Benigno S. Aquino Jr. to his grave in August 1983. Mr. Aquino had become the people's martyr because many believed that the government was responsible for his death.

The third layer was in the people's anxiety that their country was headed for civil war. Given all the problems, the repression and the intractable government, people wondered what other outcome was possible. Yet even if there was such a war, it was unclear to most whether peace could prevail and life would be improved.

The top layer was Mr. Marcos's effort to snatch victory from Mrs. Aquino. We shall never be certain how many votes she received, but the evidence indicates that she was the favorite of a large majority. Because of the death of her husband, she personified the people's suffering, oppression and anxiety. Simultaneously, she symbolized hope, liberation and salvation. The religious imagery is significant to many in the Roman Catholic nation. More important to others was the straightforward support that Mrs. Aquino's campaign received from Catholic and Protestant organizations as well as from countless other associations and groups.

Having rejected Mr. Marcos and chosen Mrs. Aquino, people became determined to press further. Just how this could be accomplished and what the consequences would be were hazy. But, when prominent government figures defected to the people's side, the opportunity was there.

Forty years ago, after a campaign that was as crucial then for people in central Luzon as this past one was for the nation, the voters elected six men to Congress. The Manuel Roxas government thought the six were too radical, refused to seat them, and waged war against oppositionists. This forced many to join the Huk rebellion.

Similarly determined in 1986 to keep their hard-won and long-awaited victory, Filipinos put their lives on the line — but in a different way. They poured into the streets pleading, singing and praying for peace and justice. In so doing they gave the world a historic and inspiring example of nonviolent courage and power.

The writer, a specialist in Philippine politics, is a professor of political science at the University of Hawaii in Honolulu. He contributed this comment to the Los Angeles Times.

Tibet Awaits Attention of Busy World

NEW YORK — Each March, in sad rituals that go largely unnoticed outside the scattered cities and towns that serve as hosts to small numbers of Tibetan refugees, those Tibetans commemorate the day in 1959 when they rose up against the Chinese annexation of Tibet. On March 10, refugees stage small demonstrations, short marches and in some places a quiet presentation of petitions to local officials of the People's Republic of China. Then they peacefully go home.

That few countries in the West have shown any moral support for the Tibetans only makes more tragic the destruction and death resulting from decades of Chinese domination. Perhaps it is because we find ourselves more quickly drawn to issues that provide an opportunity to exorcise our own demons. The Tibetan issue cannot easily be used to publicly separate ourselves from the West's racist and colonialist past.

But such attitudes betray the liberal values that ought to guide us. Whether Tibet was in need of the drastic change China forced on it ought to have been a matter for the Tibetan people, not their Chinese neighbors, to decide. Moreover, the attention that we give to this tragedy should be based on its magnitude.

Seen against this background, the Tibetan situation seems even more tragic and pathetic. Not only is China's domination of Tibet based on a continuing refusal to allow the Tibetan people to exercise their right to self-determination (a right vouchsafed to them by the United Nations in 1961), but it has wrought suffering on a scale so broad as to make much of the repression and violence used by dictatorial regimes elsewhere seem insignificant by comparison.

After China moved into Tibet in 1951, it imposed progressively autocratic and repressive measures aimed at totally subordinating the country to Chinese social and political control. Large-scale resistance followed, most notably the 1959 uprising in Lhasa, the Tibetan capital, that led to the flight into exile of Tibet's spiritual leader, the Dalai Lama. Succeeding years brought continued tyranny, resistance and slaughter. By the late 1970s, scores of Tibetan exile communities formed in countries bordering Tibet. The exiles estimate that more than a million Tibetans have died in the struggle.

Yet China has for the most part avoided censure. The Amnesty International has documented political imprisonment of Tibetan nationalists, but few governments or world bodies, including the United Nations, have questioned China about these transgressions.

Visitors to Tibet are often startled to discover that Tibetans still demonstrate a strong will to resist, handing out pamphlets that declare allegiance to the Dalai Lama and calling for help from the world community.

Today, internal resistance to Chinese domination is symbolized by one man in particular: Lobsang Wangchuk. A geshe, or doctor of theology, Lobsang Wangchuk was educated at the monastery of Drepung on the outskirts of Lhasa. He has been arrested many times but has continued to write small tracts which are circulated clandestinely, calling for independence. It is ironic that one of his last pamphlets drew on the writings of Mao Zedong to argue against China's hold on Tibet.

In the autumn of 1983, during a roundup of "criminal elements," Lobsang Wangchuk was arrested again. He still has not been formally tried for any offense, and there is no indication that his release is contemplated. He remains incarcerated in Drapchi, one of five notorious prisons maintained by the Chinese authorities near Lhasa.

Lobsang Wangchuk is in his early seventies, and because of the abysmal prison conditions he may never leave Drapchi alive. But he represents for Tibetans far more than a solitary old man in a Chinese cell. The Tibetans who whisper his name in Lhasa and those refugees who on March 10 each year mark the Tibetan bid for freedom all refuse to let his work and his ideals be destroyed. They cling to the thin hope that their cause may yet elicit the understanding and world support that seem to evade it.

The writer, an American academic who asked that his name be withheld to protect associates in Tibet, contributed this comment to The New York Times.

Other Opinion

González: A Personal Victory

Prime Minister Felipe González of Spain staked his political capital [on the referendum about membership of the North Atlantic Treaty Organization] and won. The mood in Madrid was one of relief that an issue which has upset planning for the past four years has been confronted. At last the country can get on with the business of living. But Mr. González is the man who can claim the credit. He shunned the advice of those who wanted him to drop plans for a referendum, concentrated his energies upon winning it and, despite the glum predictions of the opinion polls, has done so by a comfortable margin. There might come a time when the vigor of his appeal could react against him. But that is for tomorrow. No one should begrudge him his hour of victory.

— The Times (London).

FROM OUR MARCH 17 PAGES, 75 AND 50 YEARS AGO

1911: Toward a League of Peace?

PARIS — [A Herald editorial says:] "President W.H. Taft's scheme for the laying of the foundation-stone of a league of peace, cordial support of which was manifested by Sir Edward Grey in his speech in the House of Commons, is being received with joy throughout the United States as well as in Great Britain and other countries on the Continent. Though any treaty of alliance between the United States and the other English-speaking nations, or any other nation, is out of the question, an arbitration treaty with Great Britain under which the two countries would agree to submit even questions of honor to an impartial court no doubt would be popular in America. Enthusiastic peace advocates foresee the rapid expansion of such a treaty of arbitration to the other leading nations of the world.

1936: These Two Should Have Met

RICHMOND, Virginia — Teresa Hawkings, eighteen years old, went to a theater here and burst our laughing. That was a week ago. She has been laughing ever since. The play she saw was not a comedy. She explained that she simply had an irresistible impulse to laugh. Doctors cannot discover what is wrong with the girl. Her laughter fits are punctuated by spells of semi-consciousness.

MORRISON, Illinois — Mrs. Harold McKee, the "yawning woman," has had a third attack of the extraordinary illness which makes her yawn from eight to eleven times a minute. In 1934, Mrs. McKee had a yawning attack that lasted nine days; in 1935, her yawning continued for eleven days. Worry and strain over an invalid husband and an invalid son are believed to be the cause of her complaint.

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Afghanistan: UN Key to Soviet Pullout Is Jammed

By Selig S. Harrison

WASHINGTON — The three-year-old United Nations negotiations on a Soviet withdrawal from Afghanistan made significant progress immediately after the summit meeting. But the negotiations again are stalled and progress appears unlikely unless the UN effort is accompanied by superpower talks on security issues in the Afghanistan region.

Washington should seek to break the deadlock by proposing exchanges with Moscow designed to defuse U.S.-Soviet military tensions relating to Iran, Pakistan and the Gulf. Such an initiative is needed to deal with a critical issue not covered in the emerging UN withdrawal plan: the future of Soviet bases in Afghanistan.

In return for a credible Soviet commitment to phase out its bases along with the projected withdrawal of its forces, America should be prepared to discuss limitations on one or more of the bases it has developed near Afghanistan since the occupation.

Washington should offer to join Moscow in an agreement not to introduce combat forces or mutually threatening bases or facilities in Iran and Pakistan. In 1980, Cyrus Vance, who was then secretary of state, wanted to propose such an accord but was blocked by the national security adviser, Zbigniew Brzezinski, who later wrote he did not want to "make the Soviet Union in effect the co-guarantor of neutrality in the Persian Gulf region." Immediately after the Soviet occupation, the Brzezinski view prevailed. But such an agreement would serve American interests.

Both Iran and Pakistan are explosive focal points of American-Soviet distrust. On the Afghanistan-Pakistan border, the possibility of a superpower confrontation has been growing especially serious as the Soviet Union increases its forward troop deployments and as the United States, which has a mutual-security agreement with Pakistan, steps up its support for the Afghan resistance.

Until the summit meeting, the U.S. administration was cool to the UN plan, which orchestrates termination of arms aid to the resistance along with a Soviet pullout. The administration has insisted that a withdrawal should come first. But in December, Deputy Secretary of State John Whitehead announced qualified approval of two draft agreements — between Pakistan and the Soviet-sponsored Democratic Republic of Afghanistan — that would synchronize a withdrawal with ending aid to the resistance. More important, America accepted the draft UN text of projected American and Soviet guarantees backing up the accords.

Mikhail S. Gorbachev has emphasized readiness to withdraw combat forces "in the most immediate future." By calling for a settlement guaranteeing the nonresumption of aid to the resistance, he made clear that Moscow expected the Kabul regime to stay in place. But American interests would be served by the projected UN settlement, regardless of the Kabul regime, if Moscow phased out its bases along with its forces.

Some people in the U.S. government are openly criticizing the Whitehead position. Secretary of State George P. Shultz should reaffirm that America accepts the UN principle of linkage between a military withdrawal and termination of aid. And President Ronald Reagan should test the professed Soviet readiness for withdrawal by offering to open discussions on related Southwest Asian security issues.

The writer is a senior associate at the Carnegie Endowment for International Peace. This article, published by The New York Times, is adapted from a longer essay in Foreign Policy.

LETTERS TO THE EDITOR

A Victory for the People

Mr. Marcos is out. Who believed that the quiet widow would gather the country behind her in a people's victory? When I heard Cory Aquino appealing "to all friends of democracy and supporters of freedom," something inside of me moved. In 1902, after the Spanish American war in the Pacific, my grandfather and grandmother met on the first boatload of American teachers sent to the Philippines. These are the people who lived and taught and worked to lay the basis for an independent, democratic country.

My grandparents left the Philippines just before the Japanese invasion. My father and his two brothers were born in Manila and grew up at Tacloban near Leyte Beach. It was there that General Douglas MacArthur returned in 1945, and one of my uncles was with him. Today I am excited and proud.

SUSAN TIBERGHIEN.
Geneva.

Will or will not the limitless wealth that Mr. Marcos, his family and their hangers-on have spirited out of their land be returned to its rightful owner, the Philippine nation?

JOHN COLEMAN-HOLMES.
Paris.

Don Oberdorfer's report "Looking Back, No Lack of Warning Signs" *(Feb. 25)* was an outstanding account of the unfolding morality play taking place in the Philippines.

WARREN E. KRAEMER.
Riyadh.

You reported on March 6 that the Marcos party left a $12,000 bill at a PX in Guam. Why should the U.S. taxpayer pick up that bill? Teen-agers and the unemployed are arrested for $10 worth of shoplifting.

URSULA RUSSELL.
Begnins, Switzerland.

We do not free terrorists who have committed acts of atrocity, and we do not forget and forgive the likes of Hitler. Any dictator who is on the brink of being expelled and is finding it difficult to locate a safe haven must have committed more than a few human rights violations. What is the justification for guaranteeing sanctuary in such cases?

OLIVER CHAN.
Paris.

The world was shocked by the reception an Austrian minister gave to a former war criminal. Now America has welcomed the oppressor of the Philippine people in Hawaii.

HERBERT J. PLODERER.
Salzburg, Austria.

Jean-Claude Duvalier should be shipped to Devil's Island. Ex-President Marcos could occupy an adjoining cell.

JOAN WRIGHT SMITH.
Galle, Sri Lanka.

American taxpayers have become acutely aware that they have been supporting dictatorships in the Philippines and Haiti. Why does America continue to give financial and military assistance to the Pinochet dictatorship in Chile?

CELIA WOLSKY.
New York.

The Legal Question

Corazon Aquino is in a legal and political dilemma. Under the constitution, it was Vice President Arturo Tolentino who should have succeeded Mr. Marcos. Mrs. Aquino's only legal recourse would be to challenge the proclamation of Mr. Marcos as winner of the Feb. 7 election. But a complex problem would remain.

If the official results of the election are any indication, a large part of the population does not regard Mrs. Aquino as the legitimate president. No doubt, many among them will acquiesce in the new political reality, but there will be independent-minded and principled men, some of them members of Parliament and the judiciary, who will contest the validity of Mrs. Aquino's inauguration. Will she allow her claim to the presidency to be challenged in the courts?

EMMANUEL FERNANDO.
Oxford, England.

Marcos Was Not All Bad

I am very sad. Maybe Mr. Marcos is corrupt, but most heads of state are nowadays. Because he did not step down early, a lot of his people will lose their lives. He served us for 20 years, doing his best. If he made mistakes, that is only human nature.

CONNIE MIGUEL.
London.

Ferdinand Marcos has been portrayed as a duplicitous devil and a monstrous tyrant. He can't be that wicked — he has his good points. So I do not ask for his head. I have chafed under his iron hand for 20 years and am tired of his face, but I am not asking for payment of blood debts. I'll be content if he stays away and lets us rebuild our political system.

ALEXANDER N. GILLIS.
Pamplona, Spain.

Criticism of Mr. Marcos has been exaggerated. An undemocratic country has no freedom of speech. There was no lack of opposition rallies.

GLORIA SOSNE.
Hong Kong.

Amid Anger and Grief, Palme is Eulogized as A Champion of Peace

By Joseph Lelyveld
New York Times Service

STOCKHOLM — With the unsolved mystery of his murder still hanging heavily over Sweden, Olof Palme was eulogized as a world citizen and champion of peace at a secular funeral designed to reaffirm his political values.

The two-hour ceremony Saturday combined personal reminiscences, muted renditions of black spirituals and political themes such as a call for a comprehensive ban on nuclear weapons testing.

It was attended by presidents and prime ministers, schoolchildren and activists in the governing Social Democratic Party, royalty and the slain prime minister's widow and three sons.

The call for the test ban was sounded by one of the nine eulogists, Prime Minister Rajiv Gandhi of India, who drew a parallel between the assassination of his mother, Indira, and the shooting Feb. 28 of Mr. Palme, 59.

Mr. Gandhi was echoing a theme of Mr. Palme, whose body, in a white coffin under a heap of red roses, was later borne through the streets of Stockholm to a private family burial in a churchyard.

The funeral was held in the Stockholm City Hall with the Swedish police, outside and inside, maintaining the most intensive security precautions Stockholm has seen. Secretary of State George P. Shultz represented the United States at the ceremony.

Mr. Palme's favorite band played a muted rendition of "Nobody Knows the Trouble I've Seen" before the Swedish royal family, led by King Carl XVI Gustav, entered the hall. Above on a stone balcony, 284 standard-bearers from each branch of the Social Democratic Party held red flags, each with a small strip of black crepe attached.

A chorus of schoolchildren stood on a marble staircase, with the crest of the United Nations on the wall behind them and Mr. Palme's coffin at the foot of the stairs.

His successor, Ingvar Carlsson, delivered the first and longest of the eulogies. The new prime minister conveyed intense emotion as he drew a portrait of his friend.

"We stand united in anger and grief," Mr. Carlsson said, characterizing Mr. Palme as a man who "made the world the concern and the responsibility of us all."

Perhaps the most moving moment for many Swedes came when a popular singer from Finland, Arja Saijonmaa, who often sang at Mr. Palme's political rallies, approached the staircase and the coffin as if to sing to Mr. Palme alone. Her song, the title of which was translated as "I give my thanks to life," was said to be based on a lyric of a revolutionary Chilean poet.

The mixture of symbols, political testaments and music continued throughout the ceremony, which also included eulogies by the king; the United Nations secretary-general, Javier Pérez de Cuéllar; the Swedish foreign minister, Sten Andersson, and Willy Brandt, the former West German chancellor.

Calling Mr. Palme "a beloved younger brother," Mr. Brandt said the term "statesman" was "too narrow" to characterize his friend because it did not suggest his "visionary strength and extreme intellectual integrity."

The Associated Press

Helmut Kohl, left, and Erich Honecker talked before the beginning of Mr. Palme's funeral.

Shultz and Russian Cite Lack of Progress

(Continued from Page 1)

negotiating forums, "neither of us has been satisfied with developments since that time." He said they discussed a second summit meeting this year in Washington but no conclusions had been reached and he expected talks on setting a date to continue.

Mr. Shultz said he and Mr. Ryzhkov spent more time discussing nuclear tests than any other subject. He said he handed Mr. Ryzhkov the letter Mr. Reagan addressed to Mr. Gorbachev on Friday inviting the Soviet Union to send a team of experts to observe a nuclear test in the United States that would be monitored by newly developed systems of verification.

Tass, the Soviet news agency, on Saturday criticized Mr. Reagan's offer as "a political maneuver."

Mr. Ryzhkov said the Soviet Union urged the Americans to study more carefully Mr. Gorbachev's March 14 proposal, which calls for an immediate nuclear test ban and prolongs Moscow's self-imposed moratorium on nuclear explosions until the United States carries out its next test.

Senior American officials said later that the United States wanted to use the Stockholm meeting for "stocktaking rather than negotiation."

Before returning to Washington, Mr. Shultz also met with President Kenneth Kaunda of Zambia, who said he intended to press for more stringent economic sanctions against South Africa to undermine its system of apartheid.

The Israeli prime minister, Shimon Peres, held brief talks with Mr. Shultz, Chancellor Helmut Kohl of West Germany and President François Mitterrand of France.

Mr. Kohl and the East German leader, Erich Honecker, also used the occasion for their first meeting in more than a year. West German officials said Mr. Kohl wanted to discuss prospects for improved East-West relations and a possible visit by Mr. Honecker to West Germany this summer.

■ Gorbachev Trip Is Expected

Mr. Gorbachev will visit West Germany later this year, the West German magazine Der Spiegel said Sunday, Reuters reported from Bonn.

A Bonn government spokesman said he knew nothing about a possible trip by Mr. Gorbachev and declined to speculate about it. Der Spiegel said the Soviet leader hoped his visit could persuade Bonn to take a more independent line from the United States on security issues.

For Crocker, Critics Everywhere

State Dept.'s Africa Specialist Assailed by Right and Left

By David B. Ottaway
Washington Post Service

WASHINGTON — Among foreign-policy specialists dealing with Africa, one of the most frequent questions these days is when Chester A. Crocker, the embattled assistant secretary of state for African affairs, is going to be dismissed by the Reagan administration.

Mr. Crocker's comments Wednesday before a House committee that the administration favors black-majority rule in South Africa and at least "in the generic sense" regards the Soviet-backed militant nationalists there as "freedom fighters" is likely to add new fuel to a conservative-led drive to get him dismissed.

The White House later backed away from Mr. Crocker's "freedom fighters" remark.

Already, rumors are flying that Mr. Crocker, who holds the record for longevity among the State Department's assistant secretaries, will soon leave.

Senator Jesse Helms, Republican of North Carolina, told Secretary of State George P. Shultz in a recent meeting:

"You got to fire Crocker. The African bureau is not carrying out policy."

Mr. Crocker, who had conducted the southern Africa talks since 1981, is not talking. Repeated telephone calls to his office were unavailing.

For many conservatives and liberals alike, Mr. Crocker, as chief architect of the administration's "constructive engagement" policy, has overstayed his welcome. One associate described him recently as "a man with enemies on all sides."

Liberals believe he has been duped by South Africa's white rulers into promoting a policy that counts on quiet diplomacy and carrots rather than sticks to wheedle changes out of Pretoria. They have indicted him for seeking to block the swell last fall of public demand for the imposition of U.S. economic sanctions on South Africa.

Mr. Crocker prefers the term "political sanctions" to "economic sanctions" in describing the measures that President Ronald Reagan, under pressure, agreed to impose. Among other things, the sanctions ended the sale of hundreds of millions of dollars worth of krugerrands in the United States.

Conservatives have denounced Mr. Crocker for opposing the "Reagan Doctrine," the administration's efforts to help anti-Communist "freedom fighters" in their battles with Soviet-backed Marxist regimes in the Third World.

They charge that Mr. Crocker has almost singlehandedly delayed the sending of U.S. military aid to the anti-Communist forces of Jonas Savimbi in Angola.

To the chagrin of his detractors, Mr. Crocker has proved to be a good bureaucratic infighter. And he is a master of the linguistic ambiguity that is the trademark of his temporary profession.

His replies to questions have been known to drive congressmen and reporters to despair, leaving nagging doubts about whether he really said "yes" or "no."

One example was a session with reporters on Jan. 28, where he was questioned about policy toward Angola. Mr. Crocker, feeling the heat from conservatives, said for the first time that U.S. companies doing business with the Angolan government ought to "think about U.S. national interests."

Reporters, sensing a new direction in administration policy, sought clarification as to whether he was saying they should get out.

What should American companies "think about," staying or getting out of Angola, he was asked.

"What should they do?" said Mr. Crocker. "They should think. They should also communicate, make clear what the sentiments are like in Washington."

"Does the presence of those American companies in Angola further or inhibit the process of developing a peace settlement?" asked one reporter.

"Well, we wonder sometimes," Mr. Crocker said.

"What do you conclude when you wonder?" the reporter asked.

"At the present moment," Mr. Crocker said, "we need all the signals we can send for people to get on with it. Thank you."

Blacks Defy Pretoria At Funeral for 'Rebels'

By Glenn Frankel
Washington Post Service

GUGULETU, South Africa — Seven suspected black guerrillas, killed in a shoot-out with the police nearly two weeks ago, have been buried here amid growing questions about who they were and how they died.

The men were buried after a ceremony in a half-empty stadium in this township outside Cape Town at which mourners defied a ban on political speeches, banners and pamphlets. Several speakers accused the police of murdering the men.

The funeral, the first major political event since President Pieter W. Botha lifted a seven-month state of emergency on March 7, followed a night of violence outside Johannesburg in which six blacks were killed, four by the police and two by other blacks.

[A spokesman for Anglo American Corp. in Johannesburg said Sunday that seven mine workers were killed and 67 were wounded during tribal fighting Saturday at the Vaal Reefs mine, west of Johannesburg, Reuters reported.]

The alleged rebels were shot to death on March 3, in what officials called a planned police operation launched after the authorities were tipped off that armed men were preparing to attack a police bus.

The police said they confronted the men and opened fire after they were attacked. They described the men as members of the African National Congress, the outlawed black resistance movement.

But witnesses and relatives immediately disputed the police version. Reporters for the daily Cape Times have obtained statements from four persons who said they saw policemen shoot one man after he tried to give himself up and saw them "finish off" another lying motionless on the ground.

The police have denied these allegations but have left many questions unanswered, including where the men, who reportedly were longtime Cape residents, received their training and arms.

If the police are telling the truth, analysts said, the guerrillas may have developed a new and sophisticated operation inside western Cape Province that includes local arms caches and training centers.

The parents of three of the shooting victims have denied that their sons had any involvement with the African National Congress. Two of them were described as Rastafarians, members of a West Indies-based religious cult that generally shuns conventional politics. A third was a 23-year-old reportedly being treated as a mental outpatient at a local hospital.

The police have reacted angrily to the Cape Times reports, subpoenaing one reporter to compel him to reveal the names of the alleged witnesses and barring the newspaper from daily police briefings.

The crowd Saturday hailed the victims as martyrs. Each wooden coffin was draped with the guerrillas' green, black and white colors, and a congress banner and a homemade red flag with a lopsided hammer and sickle preceded the coffins.

Right Leads Close French Vote but Without a Solid Majority

(Continued from Page 1)

ties would have sought to win over National Front voters in run-off ballots.

Alluding to rumors that Mr. Mitterrand will try to play on political rivalries in the conservative ranks, Mr. Giscard d'Estaing said: "We will need unity more Monday than we did Sunday."

Mr. Mitterrand could choose a more centrist conservative, someone more inclined to proceed cautiously in undoing Socialist legislation, as pledged by Mr. Chirac.

In contrast to the National Front's surge on the far right, the Communist Party declined, getting some 10 percent of votes, its lowest post-World War II score.

Sunday's vote was considered the most important parliamentary election since 1968 because the vote offered the nation's verdict on five years of Socialist government and created a risk of political confrontation between the Socialist president and a conservative-dominated parliament.

Despite the electoral stakes, the campaign was colorless. Much of the political discussion was dominated by arguments about the rules of political coexistence, a subject that many voters apparently considered secondary. Many voters, polls showed, made their choice months ago and barely wavered.

None of the leading parties offered any radical proposals for solving unemployment, the major preoccupation of French people. In exit polls conducted Sunday, it topped the list of voters' concerns.

Hopes that the Socialists could solve the problem in 1981 contributed to their electoral landslide — and to the subsequent disarray among Socialist supporters when the government was obliged to adopt austerity policies similar to those of its predecessor.

In addition, the parliamentary elections are seen by many French politicians and voters as only a step toward elections for the presidency. Mr. Mitterrand can schedule new presidential elections anytime in the next two years.

The outgoing parliament, elected in 1981, had 491 members, including 280 from the Socialist Party and its allies, 88 from the Rally for the Republic, 63 from the Union for French Democracy, and 44 from the Communist Party. Elected after the presidential victory of Mr. Mitterrand, the ruling alliance of Socialists and Communists had a 66-percent majority.

The Communist Party, politically hurt by its ties with the Soviet Union and socially undermined by the decline of heavily unionized industries such as mining, failed to win back leftist supporters with claims that the Socialists have pursued conservative policies.

The National Front, led by Jean-Marie Le Pen, however, will be an influential new group in Parliament. Its anti-immigrant and strong law-and-order views are the only major elements of its program.

Mr. Le Pen's party has gained political bargaining power in some French regions, notably in Marseille and other parts of southern France and in some industrial areas with large communities of North African immigrants.

The Socialists, who recovered from a deep slump in popularity as their economic management began to bear fruit in the last six months, have established their claim to be as capable of managing France as the conservatives who ruled the country uninterruptedly for 25 years.

AFTER THE WAR WAS OVER

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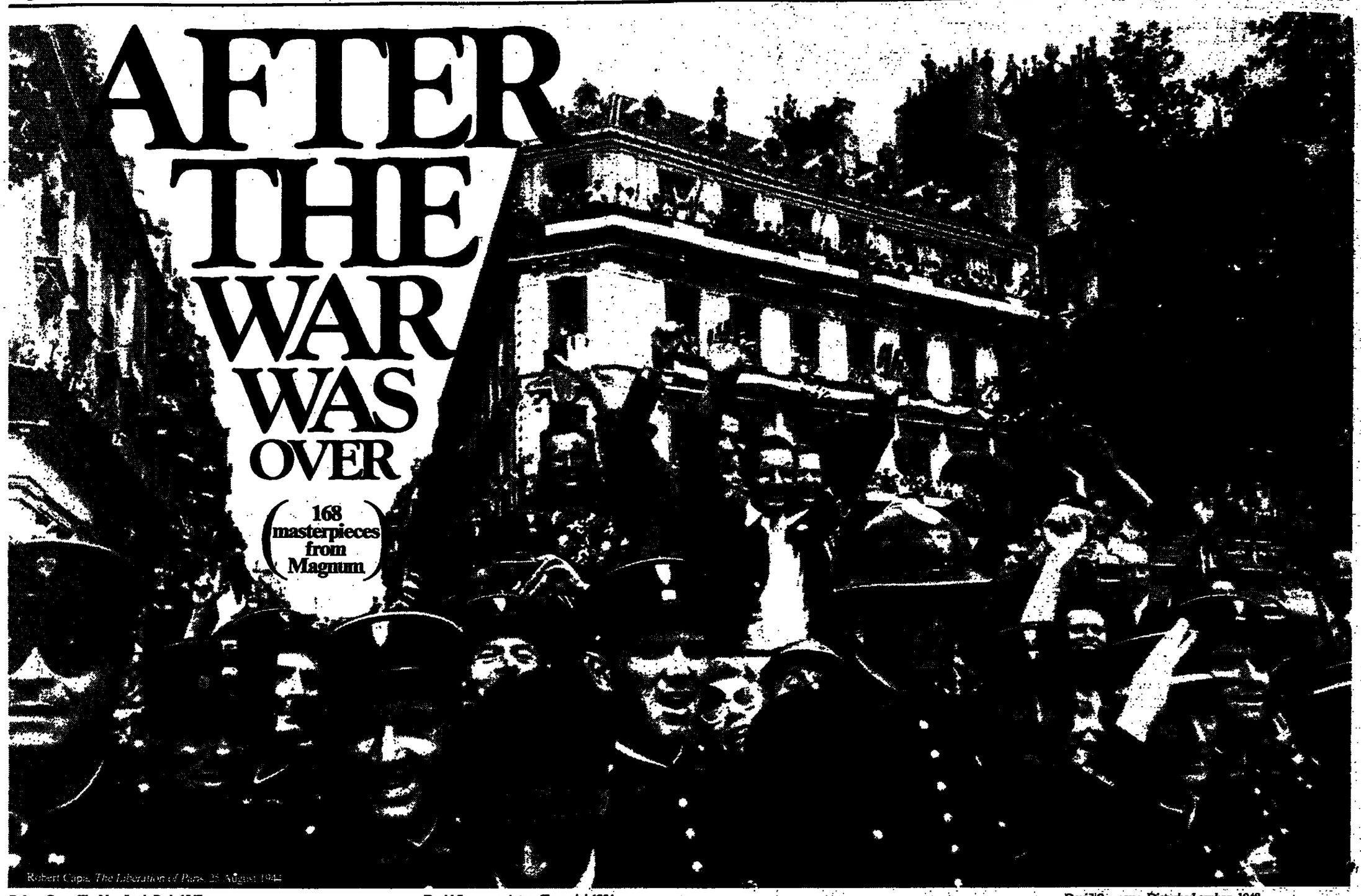


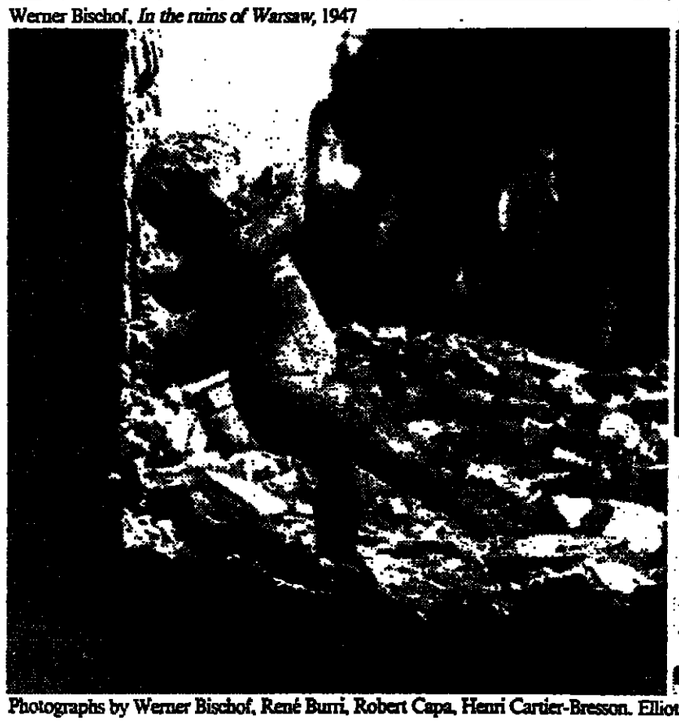
Robert Capa, *The Liberation of Paris*, 25 August 1944

Robert Capa, *The New Look*, Paris 1947

David Seymour, *Arturo Toscanini*, 1954

David Seymour, *Disturbed orphan*, 1948

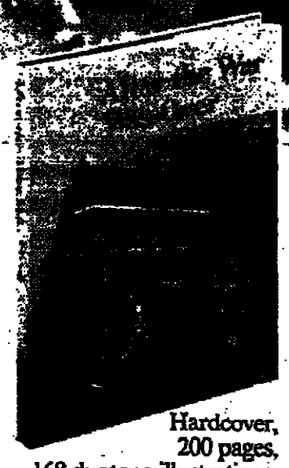
Werner Bischof, *In the ruins of Warsaw*, 1947



Henri Cartier-Bresson, *The Ascot Train, Waterloo Station*, London 1953

Erich Lessing, *Railroad workers*, 1956

Photographs by Werner Bischof, René Burri, Robert Capa, Henri Cartier-Bresson, Elliot Erwitt, Ernst Hass, Erich Lessing, Inge Morath, Marc Riboud, David Seymour, and other Magnum photographers.



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NASA Aide Says Inquiry Is Unfair to Reputations

Richard G. Smith

By Michael Isikoff
Washington Post Service

CAPE CANAVERAL, Florida — The chief NASA official here has charged that the presidential commission investigating the explosion of the Challenger has needlessly damaged the reputations of NASA officials. He warned that it could result in a "mass exodus" that potentially will "cripple the agency."

Richard G. Smith, the director of the Kennedy Space Center, said Friday that his feelings were shared by "a significant number" of officials and engineers at the Marshall Space Flight Center in Huntsville, Alabama, and at the Johnson Space Center, in Houston.

He also said in an interview that "98 percent of the pressure" to launch the space shuttle came from the news media, which he said openly ridiculed the agency whenever there was a launch delay. The Challenger exploded Jan. 28, killing the seven astronauts aboard.

"Every time there was a delay, the press would say, 'Look there's another delay,'" Mr. Smith said. "'Here's a bunch of idiots who can't even handle a launch schedule.'"

Officials of the National Aeronautics and Space Administration have come under stiff scrutiny by the presidential commission over the past month, and the commission has publicly concluded that the space agency's decision-making process in the launch was "flawed."

Mr. Smith was among the agency officials originally assigned by NASA to investigate the Challenger accident. He later was removed from that role at the request of the commission, which considered it improper to allow officials to investigate themselves.

Mr. Smith said that he and many other officials were "fed up" with the battering the agency had taken in the media and were considering retirement.

"I think there's a potential of long-term damage that cannot be repaired," he said. "I'm getting a lot of people who would like to retire, that want to leave.

"You know that most of the employees at NASA could make two or three times what they make" by working in private business and industry, he added.

Mr. Smith placed at least part of the blame on the presidential panel headed by William P. Rogers, a former U.S. secretary of state. He said the panel criticized NASA's decision-making process without first determining what caused the explosion.

By doing so, he said, the panel has "run a great risk of needlessly damaging the reputations of people, companies, and the agency."

Mr. Smith said he did not fault the commission for requesting that he and others be removed from the inquiry. His prime concern, he said, was the manner in which the panel conducted its investigation.

"I don't think it's a malicious thing," he said. "But in every investigation I've ever been in, you first find out what the source of the problem is."

A spokesman for the commission, Mark Weinberg, said Mr. Rogers would have no comment on Mr. Smith's remarks because "it does not serve anybody's interest to do so."

But shortly afterward, Mr. Rogers called Mr. Smith and protested his remarks.

"He called me and said I was trying to impugn the commission's process," Mr. Smith said in a subsequent telephone interview.

Mr. Smith then asked that his earlier on-the-record comments not be published.

During the earlier interview at Cape Canaveral, Mr. Smith said that he and most of the agency's other senior officials would stay on for another year while the shuttle program was being rebuilt.

But, he said, "you'll have a mass exodus of key people after that first successful launch and then I'm not sure what you've got left."

Admiral Richard H. Truly, the agency's new associate administrator for space flight, was asked about a possible exodus. "I don't think there's going to be a mass exodus," he replied.

Second Blast Destroyed Shuttle Cabin

By Boyce Rensberger
Washington Post Service

WASHINGTON — The crew cabin of Challenger broke apart from the rest of the space shuttle and tumbled out of the initial fireball relatively intact but then exploded independently about one and one-half seconds later, according to a source close to the presidential commission investigating the accident.

The finding, which emerged early in the investigation but has received little public notice, confirms the observations of a number of amateurs who made their own studies of videotapes of the explosion on Jan. 28.

The tapes are fuzzy, but appear to show that as the fireball was reaching its maximum size, an object with markings that resemble those of the cabin emerged from one side and exploded by itself just as it cleared the fireball.

Investigators say the explosion of the cabin was caused by the rupture of tanks containing more than 2,200 pounds (1,000 kilograms) of propellants. The tanks are stored in the orbiter's nose, which is just ahead of the cabin.

Now that the cabin's wreckage and the remains of the crew are being retrieved from the floor of the Atlantic off Florida, the existence of the second explosion raises new questions about the sequence of events that killed the seven astronauts.

One of the amateurs, David Balaban, a video editor in the motion picture department of the Walter Reed Army Institute of Research, suggested Friday that if the cabin was nearly intact when it flew out of the fireball, it might have been possible for the astronauts to survive if they had ejection seats that worked before the propellants exploded.

There are no ejection seats in the shuttle. Even if there were, the commission sources said Friday, it is believed that the astronauts probably were killed by the force of the original explosion.

Meanwhile Friday, the commission met privately to review new film of the early moments of Challenger's fatal flight.

Sources said the films confirmed the scenario that has been developing for some weeks: that the cold-hardened O-ring seals in one of the solid rocket boosters failed in the first second of launch, leading less than a minute later to a burn-through of the booster wall.

According to that scenario, the burn-through eventually tore the booster loose, rupturing the huge external fuel tank. It was the explosion of that fuel that caused the initial fireball.

The commission also said it would appoint a panel of experts to test the performance of the O rings when they are chilled to the subfreezing temperature in which Challenger was launched.

Gaiety Reigns at Soviet Space Station

By Serge Schmemann
New York Times Service

MOSCOW — Two cosmonauts have boarded the new Soviet space station that is expected to become the first permanently manned orbiting laboratory.

The government press agency Tass announced that the spaceship Soyuz T-15, carrying Colonel Leonid D. Kizim and Vladimir A. Solovyev, the flight engineer, docked Saturday with the Mir station. Mir means peace in Russian.

The evening television news program showed the two cosmonauts laughing and frolicking in the spacious cabin of the Mir soon after boarding.

As the telecast opened, Colonel Kizim seemed to be doing a somersault, while Mr. Solovyev laughed and told the mission controllers, "So, are you convinced now that we're here?"

The interview continued with a gaiety and lightness that are unusual for Soviet space broadcasts. The cosmonauts appeared to be genuinely excited about the new station.

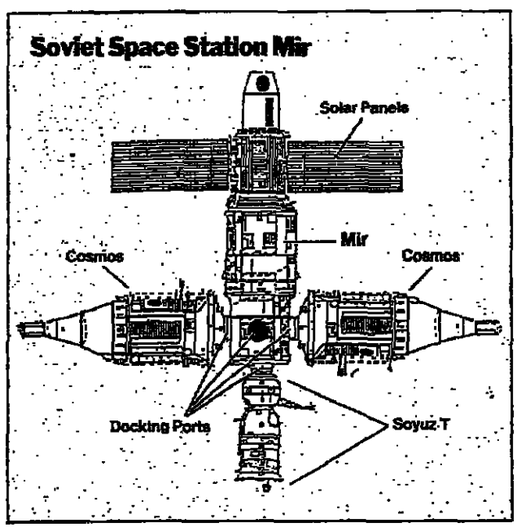
"We're in our home, we're happy," Colonel Kizim said. "What else can a host say in such a remarkable home?

"As we were approaching it, the Mir looked like a huge, magnificent sea gull hovering over the world," he said.

Colonel Kizim, Mr. Solovyev and another cosmonaut, Dr. Oleg Atkov, spent a record 238 days in space aboard the Salyut-7 orbiting laboratory, a station considerably more cramped than the Mir, in 1984.

"This is wonderful, this is beautiful," Colonel Kizim remarked repeatedly as he guided a hand-held television camera around the brightly lit compartment.

He showed a kitchen and dining area for six and one of the two small private staterooms that are among the novelties of the new station.



The New York Times

Then he floated down the length of the compartment to the control panel. Soviet space officials have said the Mir is equipped with computers that are considerably more powerful than those of the earlier Soviet stations.

The Soviet Union has not said how long Colonel Kizim and Mr. Solovyev would remain in orbit. Their task, according to Tass, will be to activate the Mir, which was launched Feb. 20, and to test its structural components and on-board systems.

The news agency said the station would become a "base unit" for building "a permanently operating manned complex with specialized modules designed to tackle scientific and national economic tasks."

The Mir, which American experts have described as a "major advance" over the earlier Salyut stations, is equipped with six docking ports, five of them on a special pod at one end of the ship.

These will enable the Soviet Union to send up a variety of specialized modules with self-contained experiments to hook up with the Mir, along with transport and supply ships.

One such module may be launched while the current team of cosmonauts is aloft, according to American scientists.

The United States also has announced plans to develop a space station, but design and development work are not expected to begin until May 1987, according to the National Aeronautics and Space Administration.

With Wages Rising, Poland Increases Prices of Food Staples by Up to 11%

By Jackson Diehl
Washington Post Service

WARSAW — The Polish government has announced price increases of up to 11 percent on food and other staple goods as the country's leader, General Wojciech Jaruzelski, warned that economic problems had become acute.

The price increases, to take effect Monday, were revealed on television Saturday. They covered food staples such as bread, milk, cooking oil, flour, cream, cheese and sugar as well as alcoholic beverages.

Price increases in rationed meat, often the trigger for political unrest in Poland, were delayed until August, and officials said they would be raised by less than 8 percent. Increases also were announced for later in the year on coal, electricity, gas and rail transport.

[About 1,000 demonstrators marched Sunday through Gdansk chanting "Down With Higher Prices," according to Lech Walesa, the former leader of the banned Solidarity trade union.

[In a telephone interview with United Press International from his home in Gdansk, Mr. Walesa said: "We shall not pay for the costs of the indolence" of the authorities. He said it was for the workers to determine how to protest the price hikes, but added that he and other Solidarity activists would be at the "disposal of the people," if protests materialized.]

Rumors of the increases caused a rush on stores and long lines in Warsaw and other cities on Friday and Saturday.

General Jaruzelski, setting the stage for the announcement, said in a speech to the party Central Committee on Friday that the growth of salaries had exceeded "by several times" the pace of labor productivity, and that "the first months of this year have seen no improvement."

While acknowledging that the impact of increases on low-income families must be studied, he added that "keeping price rises at bay with administrative methods will help practically nothing."

A similar announcement of price increases by the government a year ago provoked isolated stoppages in factories by workers seeking compensatory raises and was protested by Solidarity activists and by officially sponsored unions. The government eventually negotiated with the official unions to stagger planned meat price increases.

Asked why the new price increases had not been the subject of similar consultations, government officials said that a decrease in the rationing of staples made such public soundings impractical. They said the prices could no longer be negotiated because they were essential to economic stability.

The increases, which fell mostly in the range of 7.5 to 8.5 percent, were in line with an annual economic plan that also calls for strong controls on wages to prevent market imbalances and shortages. General Jaruzelski's speech underlined concerns that shortfalls in planned production last year, combined with high wage increases, could provoke a new economic crisis unless the trends are reversed.

With workers pressing hard for raises, wages rose by well above 20 percent last year, or more than a third more than planned, while the growth of production slowed from 5.8 percent in 1984 to about 3.5 percent. Exports also dropped, and at the end of last year Poland could not meet payments on its $29-billion foreign debt, forcing the negotiation of new terms with Western banks and governments.

Despite growth in the past three years, production still stands below the level of 1978, and living standards remain about 20 percent lower than in the late 1970s, according to official statistics.

In a special television program on the price increases, senior officials of the Finance Ministry and the Wages, Labor and Social Affairs Ministry said that a failure to raise prices could bring back the severe food shortages Poland experienced in the early 1980s. They added that prices had to be raised to make increased agricultural production possible.

■ Bishops Protest 'Atheism'

Michael T. Kaufman of The New York Times reported from Warsaw:

Poland's Roman Catholic bishops, after a two-day meeting, protested Friday what they called a campaign of atheistic propaganda in the schools.

The bishops issued a statement condemning party officials for asking teachers about their religious beliefs during staff reviews. "In many instances," the statement said, "the verifications offend the dignity and conscience of teachers and violate human rights."

At a Central Committee meeting on ideology and training of personnel last week, party delegates were told that "teaching practices should be fused more closely with the goals of socialist upbringing."

Trybuna Ludu, the party paper, said "aggressive clericalism, intolerance and fanaticism," were meant to change the secular nature of state institutions, especially schools.

Scramble for Coal Is Crippling Poland

By Jackson Diehl
Washington Post Service

GRODZISK MAZOWIECKI, Poland — It was cold, raining and still dark as midnight when people began crowding in the mud outside the coal yard here one recent morning. They hoped to fuel their heating stoves after weeks of bitter waiting, but what they half-expected was more bad luck.

"Look for yourself," said one stout worker. "There's no coal left in this town."

The daily scrambling for fuel in Grodzisk Mazowiecki, a one-hour drive west from Warsaw, is symptomatic of conditions around the country this winter. Despite Poland's position as a leading world coal producer, its domestic industries, electric power plants and homes are starved by an energy crisis for which the authorities seem to have no reasonable solution.

"Coal supply will be the No. 1 problem for the national economy in the months to come," said the government daily newspaper *Rzeczpospolita* last month.

Acknowledging that "most fuel stores in rural areas are empty," it said that the supply of coal was expected to fall short of domestic needs by 2.3 million tons in the first three months of this year, threatening disruption of industry and schools.

The drama played out in the coal yard reflected the national problem. Soon to arrive was the volunteer manager of the waiting list, an elderly woman named Zuzanna Pawlowska. She keeps the names of would-be buyers and determines who is next in line.

A crowd quickly pressed around Mrs. Pawlowska and her thick, dog-eared notebook. But the few newcomers only could be discouraged. Their place numbers, at the bottom of the list, meant a wait of up to three months.

Then, just before 7 A.M., the manager and his team arrived, and Mrs. Pawlowska and her followers launched their daily battle. First, they shouted down a yard employee who refused to open the gates because there was no electricity in the sales building. Then, they overcame the resistance of the manager, who told the first man he met, a private craftsman, that there was no coal to buy that day.

"This is an outrage," shouted one infuriated housewife. "For days, I've had no fuel, and yesterday I burned my old shoes."

The craftsman, undeterred, reentered the manager's office with a gift from his shop.

Finally, the day's bargain was struck. The first 20 persons present from the more than 2,000 on Mrs. Pawlowska's list were allowed to buy their ration of coal, usually enough to heat their homes for the remainder of the winter. The rest would have to make do and wait for another early morning.

Perhaps more than any other country, Poland cannot function without coal. Eighty-three percent of all energy in the country is produced by coal, and 97 percent of electricity is generated by coal-burning plants. During long winters, heating of both public apartment blocks and private homes is almost exclusively dependent on the fuel.

Pampered by the government, Poland's coal miners managed last year to meet their production goal of 191 million tons of hard coal, despite increasingly difficult mining conditions.

But the state's need to sell coal abroad for hard currency, the failure of conservation programs and the depletion of reserves during last year's hard winter have created a bind that officials acknowledge may endure for years.

"It is a fact that we have made our entire economy dependent on hard coal and lignite," Lieutenant General Czeslaw Piotrowski, the mining minister, said recently. "Unfortunately, not everyone understands that it is time to sound the alarm on this account."

The shortage of coal is only the beginning of Poland's energy problems. As the economy has slowly recovered from a deep recession in 1981, demand for energy has reached the capacity of the nation's power plants. According to official reports, the national power grid already failed once this winter to meet the demand of a cold night, forcing power cuts even though coal was available.

Although Poland is planning both new coal-fired and nuclear energy plants, experts say they may not even cover the expected increase in the demand for electricity in the coming years.

At the same time, the government planning commission recently ruled out a major increase of investments in power plants on political grounds, concluding that "the public would never accept" the necessary draining of resources from housing and consumer goods, according to an official report.

As a result, the authorities have concluded that Poland's growth must be limited in the coming five years according to the shortage of energy, and even the modest growth now planned will require unprecedented savings through forced conservation measures.

Private experts are far more pessimistic.

"Nobody in Poland has any complete and full concept of how to meet the national demand for fuels and energy by the end of the century," wrote Czeslaw Mejro in the technical journal Przeglad Techniczny. "All we know for sure is that there can be no talk of overcoming all these barriers. Quite simply, belts will have to be tightened."

'We have made our entire economy dependent on hard coal and lignite. Unfortunately, not everyone understands that it is time to sound the alarm.'

— Lieutenant General Czeslaw Piotrowski, Poland's mining minister

Swiss Reject Membership In UN by a Margin of 3-1

(Continued from Page 1)

for arguments on each side. Swiss voters in 1920 narrowly approved membership in the League of Nations, the prewar predecessor of the United Nations. But the country nearly withdrew after the League approved sanctions against neighboring Italy for invading Ethiopia.

The debate was carried out in newspapers as well, with both sides buying advertisements to state their views and with papers carrying numerous letters from readers.

The most recent poll before Sunday's referendum showed 48 percent against membership, 34 percent in favor and 18 percent undecided.

A senior officials with the Swiss Foreign Ministry said before the referendum that he did not expect other countries to react negatively to a defeat of the membership proposal.

"One would not have understood if the government or parliament had decided against membership," he said. "But we are sure that any decision by the people will be respected."

A negative vote was not expected to affect the composition of the government, which is a coalition of the nation's four largest parties.

The result also was not expected to change the country's foreign policy, which maintains relations with all countries.

Deputy Mayor Resigns In Washington Inquiry

The Associated Press

WASHINGTON — The District of Columbia's deputy mayor, Alphonse Hill, has resigned amid an investigation of whether he accepted kickbacks, the latest in a series of problems for officials of Mayor Marion S. Barry Jr.'s administration.

It was disclosed last week that Mr. Hill had accepted $3,000 in payments from an auditing contractor who heads a company that has received hundreds of thousands of dollars in city business. A federal grand jury is investigating.

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Switzerland	S.Fr.	432	233	129	44%
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RECENT ISSUES

March 7

Amt	Security	Mat	Str/Conv	Issue Price	Mid Price	Yield
$ 300	General Electric Cred	8¾ % '93 Mar	s	100¾	101¼	8.51
$ 200	Italy	8¾ % '91 Mar	s	100	100¾	8.56
$ 300	World Bank	9¼ % '16 Mar	s	100	106	8.48
dm 300	Sweden	6¾ % '96 Mar	s	100	100¼	6.61
dm 225	Philip Morris Co Inc	6 % '96 Mar	s	100	99¼	6.03
dm 130	Wells Intl Financ W/w	3½ % '94 Mar	s	100	102½	3.22
$ 200	Philip Morris Co Inc	9⅝ % '98 Feb	s	100½	103	9.44
$ 150	Italy	7¾ % '96 Mar	s	99½	100	9.12
$ 100	Colgate Palmolive Co	9½ % '96 Mar	s	100¾	100	7.03
$ 102	Austria	11½ % '06 Mar	s	100¾	100	8.65
$ 150	Ireland	7¾ % '96 Mar	s	100¾	102	8.91
dm 250	World Bank Pp	6 % '91 Mar	s	100	100	6.00
dm 200	Chrysler Financial Co	6¾ % '96 Mar	s	100¼	99¾	6.86
dm 250	Australia Pp	5¾ % '90 Mar	s	100¼	100¼	5.68
dm 300	Australia	6¾ % '96 Mar	s	100¼	100½	6.78
$ 1000	Canada	9 % '16 Feb	s	100½	103¾	8.47
$ 100	Finland	8¾ % '91 Feb	s	100¼	100½	8.50
$ 100	Eec Euro Econom Com	9¾ % '96 Feb	s	99½	101	9.57
$ 150	Saskatchewan Province	8½ % '91 Mar	s	99½	99¼	8.64
y 80000	Canada	6¾ % '93 Feb	s	100½	100¾	5.91
$ 150	Council Of Europe	7¾ % '96 Feb	s	100¼	102½	8.98
dm 770	Deutsche Bank Fin W/w	6¼ % '96 Feb	s	120	130½	2.72
$ 100	Eurofima	9¼ % '96 Mar	s	100¼	102¾	8.84
$ 100	Trw Inc	9¾ % '93 Feb	s	100	101¼	9.44
$ 100	Long-Term Credit Bank	9½ % '96 Mar	s	101½	105	8.73
$ 125	Coltad Inc	6¾ % '00Ta	c	100	108	3.69
ecu 60	New South Wales Treas	8¾ % '93 Mar	s	100¾	100¾	8.78
dm 300	Quebec Province	6½ % '96 Mar	s	100	100¾	6.47
$ 150	Deutsche Bank Finance	9¼ % '96 Mar	s	100¼	102½	8.84
$ 250	General Motors Accept	8⅞ % '91 Feb	s	100¾	101¾	8.49

STRAIGHT BONDS

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
	AUSTRALIA						
$ 50	Australia	8¾	'86 Jun	100¼	7.39		8.73
$ 120	Australia	8½	'86 Oct	100	8.34		8.50
$ 100	Australia	11¼	'90 Oct	112	8.01		10.04
$ 60	Australia	8¾	'91 Oct	99¼	8.91	9.08	8.82
$ 200	Australia	11	'95 May	114½	8.64		9.61
$ 300	Australia	11½	'95 Oct	117½	8.72		9.79
$ 100	Australia	11⅝	'98 Oct	122	8.67		9.53
$ 100	Australia	11¼	'10 May	117	9.67		9.62
$ 25	Alcan Australia	8½	'89 Apr	99	8.87		8.59
$ 60	Alcoa Of Australia	10	'89 Jan	101	9.60		9.90
$ 30	Alcoa Of Australia	13½	'91 Apr	101	13.20		13.37
$ 80	Alcoa Of Australia	11	'92 Jul	105¼	9.83		10.45
$ 75	Australian Ind Dev Co	11	'89 Feb	107	8.18		10.28
$ 100	Australian Ind Dev Co	11⅞	'90 Feb	101½	11.28		11.70
$ 40	Australian Mini Smelt	9¼	'92 Jun	98½	9.56	9.64	9.39
$ 35	Austraswiss	8	'87 Jul	100	7.94	7.94	8.00
$ 30	Broken Hill Pty	8¼	'89 Apr	99½	8.43	8.55	8.29
$ 150	Broken Hill Pty	14¼	'89 May	107½	11.24		13.72
$ 100	Broken Hill Pty	12	'90 Jan	107	9.73		11.21
$ 50	Broken Hill Pty	10	'98 May	101½	9.53	9.41	9.85
$ 150	Broken Hill Pty	10	'92 Dec	104½	9.87		9.57
$ 40	Comalco Invest Europe	10¼	'91 Jul	101	9.97	9.85	10.15
$ 25	Comalco Limited	10	'87 Apr	101	8.95	8.73	9.90
$ 100	Commonwealth Bk Austr	12¾	'89 Nov	111¼	8.46		11.07
$ 100	Commonwealth Bk Austr	10	'93 Nov	107¾	8.56		9.28
$ 75	Csr Limited	16	'89 Jul	117½	9.60		13.62
$ 40	Hamersley Holdings	9½	'92 Jan	97½	10.07	10.30	9.74
$ 36	K Mart Finance	9	'86 Oct	100	8.83	8.73	9.00
$ 100	Mount Isa Finance	13¾	'87 Jul	106¼	4.68		12.94
$ 100	Mount Isa Finance	11	'95 Dec	104½	10.53		10.53
$ 50	National Austr Bank	11¼	'90 Apr	104¼	9.92		10.77
$ 140	Qantas Airways	10⅝	'95 Jul	110¼	8.71		9.41
$ 100	Queensland	11⅜	'89 Dec	108½	8.63		10.48
$ 100	Queensland	10¼	'95 Aug	108¼	8.87		9.45
$ 50	Rural Industries Bank	12	'91 Feb	108¼	9.75		11.06
$ 100	State Bk New S Wales	11⅝	'90 Jun	108½	8.89		10.48
$ 100	State Bk South Austr	10¼	'92 Feb	106	8.91		9.67
$ 100	State Bk South Austr	9¼	'92 Feb	103	8.45		8.98
$ 100	State Elec Com Victor	10	'92 Nov	105½	8.86		9.48
$ 20	Tnt Overseas Finance	9	'87 Aug	99	9.70	10.14	9.09
$ 150	Treasury New S Wales	11¼	'90 May	110½	8.42		10.63
$ 150	Victoria Public Autho	11⅝	'92 Apr	112½	8.89		10.33
$ 50	Western Mining Corp	9	'92 Oct	96½	9.72	9.80	9.33
$ 100	Westpac Banking Co	12⅝	'92 Jan	101½	12.46		12.68
$ 100	Westpac Intl Finance	11	'90 May	105½	9.33		10.43
	AUSTRIA						
$ 150	Austria	15½	'88 Mar	112½	8.52		13.78
$ 50	Austria	8¾	'90 Aug	99½	8.87	8.89	8.79
$ 100	Austria	13⅝	'92 Jul	122½	8.81		11.12
$ 200	Austria	11¼	'95 Jan	114¼	8.86		9.85
$ 102	Austria	9½	'06 Mar	108	8.65		8.80
$ 100	Austrian Control Bank	10¼	'90 Jun	108	8.42		9.75
$ 175	Austrian Control Bank	10	'91 Apr	106¼	8.38		9.39
$ 52	Austrian Control Bank	15½	'92 Apr	128¼	9.81		11.89
$ 50	Austrian Control Bank	12	'94 Dec	117½	9.01		10.21
	BELGIUM						
$ 100	Genfinance	11¼	'90 Jan	107¼	8.76		10.44
	CANADA						
$ 750	Canada	14¼	'87 Jun	107¼	8.88		13.40
$ 500	Canada	10⅝	'88 Oct	104¼	8.11		10.24
$ 500	Canada	11½	'90 Mar	111	8.19		10.36
$ 500	Canada	10	'95 Nov	109¾	8.55		9.15
$ 1000	Canada	9	'16 Feb	103½	8.67		8.70

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Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
	ICELAND						
$ 20	Iceland	9	'87 Feb	99½	9.55	9.56	9.05
$ 50	Iceland	12¾	'92 Dec	108½	10.89	10.20	11.75
	IRELAND						
$ 150	Ireland	9⅛	'96 Mar	103	8.91		9.10
	ITALY						
$ 200	Italy	8¾	'91 Mar	100¾	8.56		8.68
$ 150	Italy	9⅛	'96 Mar	100	9.12		9.13
$ 30	Consorzio Di Credito	7½	'90 Jan	97	8.44	8.95	7.73
$ 30	Ent Ente Naz Idrocar	7	'88 Jan	95	8.18	8.41	7.34

HIGHEST YIELDS
to Average Life Below 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 125	Pemex Petroleos Mexic	11½	'88 Jul	88	18.17	19.28	13.07
$ 15	Ward Foods O/s Capita	5¾	'88 Nov	78	16.42	17.82	7.37
$ 40	Mexico	8½	'87 Mar	96	12.90	15.84	8.85
$ 30	Mexico	8¾	'91 Dec	85	12.53	13.33	10.29
$ 50	Uer O/s Finance	13¾	'88 Oct	100¼	13.85	13.81	13.48
$ 25	South Africa	7¾	'87 Dec	93½	12.48	12.90	8.28
$ 50	Ekoportfinans	14½	'89 May	102	13.22	12.25	14.08
$ 14	Reliance Transcontine	6¾	'88 Feb	91	11.48	11.79	6.87
$ 30	Bauxites De Guinee	8	'90 Dec	91½	10.31	11.56	8.74
cs$ 25	Intl Harvester Credit	9¾	'86 Apr	98	27.78	20.45	9.95
ff 50	Bsn Charrington	7½	'87 Aug	90	15.89	20.71	8.33
ff 200	Renault	7¼	'87 Mar	91½	14.95	20.48	7.92
ff 100	Basf Transatlantica	7½	'87 May	91½	14.88	19.56	8.28
ff 100	Bat Intl Finance	7½	'87 Nov	89½	14.89	17.97	8.38

HIGHEST YIELDS
to Average Life Above 5 Years

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 75	Caisse Nat Autoroutes	15⅝	'97 Mar	119½	12.52	11.42	13.28
$ 50	Ingersoll-Rand Intl	13¾	'95 Oct	108	11.76	11.16	12.27
$ 30	Dome Petroleum	10	'94 Jul	95	10.92	11.15	10.53
$ 50	Hudsons Bay	10	'94 Feb	97	10.57	10.74	10.31
$ 50	Macmillan Bloedel	9¼	'93 Mar	94	10.58	10.67	9.84
$ 50	Macmillan Bloedel	9	'92 Feb	94	10.40	10.58	9.57
$ 40	Ottawa-Carleton	14¾	'97 Jan	118	11.76	10.39	12.50
$ 100	Alaska Housing Fin Co	11¾	'94 Feb	107	10.41	10.35	10.98
$ 75	Intl Standard Electri	12	'96 Mar	107½	10.74	10.28	11.16
cs$ 50	Canadian Utilities	17	'96 Dec	117½	13.76	13.89	14.47
cs$ 40	Royal Bank Of Canada	10	'94 May	97	10.55	10.63	10.31
r 20	Indust Bank Japan Fin	11⅛	'95 Dec	105	10.76	10.47	11.07
cs$ 40	Royal Bank Of Canada	9	'92 Feb	94½	10.28	10.38	9.52
ecu 40	Res Auto Transp Paris	10¾	'92 Apr	104¾	9.79	9.84	10.26

HIGHEST CURRENT YIELDS

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
$ 175	Mexico	18⅞	'97 Jul	103	17.79		17.94
$ 75	Pemex Petroleos Mexic	17½	'86 Nov	98	20.42		17.86
$ 75	Transcanada Pipelines	17¼	'88 Oct	116	14.64		14.75
$ 75	Genstar	17½	'89 Oct	105½	15.29		14.59
$ 60	Gulf States O/s Finan	17½	'88 Oct	105½	14.64		14.59
$ 75	Ohio Edison Finance	17½	'88 Oct	105½	14.67		14.59
$ 50	Winnipeg City	17	'86 Oct	102	8.99		14.29
$ 100	Tenneco Intl	17	'89 Oct	105¼	14.89		14.15
$ 50	Niagara Mohawk Financ	17	'89 Sep	106	14.59		14.04
cs$ 40	Hudsons Bay	18	'87 Nov	102½	15.94		17.56
cs$ 50	Nacional Financiera	17¾	'87 Mar	101½	14.03		17.49
cs$ 50	Quebec Province	18	'87 Oct	104	14.81		17.31
cs$ 40	Canadian Pacific	17¾	'87 Nov	103½	15.07		17.15
cs$ 100	Feder Business Dev Bk	17¾	'86 Oct	103½	11.49		17.15

DM STRAIGHT BONDS

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(Continued on Page 10)

ZERO-COUPON BONDS

March 7

Security	Final Maturity	Original Offering Amt	Original Offering Year	Original Offering Price	Offered Price
American Intl Group	15 Aug 2004	$ 750	1984	12	19¾
Aslan Develop Bank	21 Aug 2004	$ 1000	1984	10½	17¾
Atlantic Richfield Co	4 Feb 1992	$ 500	1982	25¾	59½
Baker Intl Finance	25 Feb 1992	$ 225	1982	24.70	60¼
Beatrice Foods O/s	9 Feb 1992	$ 200	1982	25½	54
Campbell Soup O/s Fin	21 Apr 1992	$ 300	1982	27	61
Caterpillar Fin Serv	11 Aug 1992	$ 250	1982	24	56¾
Caterpillar Fin Serv	11 Feb 1994	$ 140	1982	19.04	48½
Centrust Savings Bank	15 Feb 2010	$ 1250	1985	5.995	10½
Commerzbank	22 May 1995	dm 500	1985	50	57¾
Commerzbank	4 Jun 2000	dm 300	1985	35¾	41¾
Connecticut Mut Life	11 Sep 2000	$ 115	1985	18.00	27
Dow Chemical	30 May 1997	$ 300	1985	20	32¾
Du Pont Overseas Cap	11 Feb 1994	$ 200	1982	22.60	50
Ekoportfinans	3 Oct 1994	$ 200	1985	32¼	49
Electricite France	11 Sep 1994	$ 300	1984	32¼	49¾
Exxon Capital	15 Nov 2004	$ 1800	1984	11.45	19¾
Florida Feder Savings	15 Jul 1995	$ 160	1985	34.15	43½
Gaz De France	21 Feb 1997	$ 150	1985	25.83	35½
Gaz De France	1 May 1994	$ 150	1982	19.85	53½
General Electric Cred	17 Feb 1993	$ 400	1982	26.00	62½
General Electric Cred	17 Feb 1993	$ 400	1982	22.00	57¼
General Electric Cred	4 Mar 1994	$ 250	1982	19¾	50¾
General Electric Cred	4 Mar 1993	$ 300	1982	17¼	49½
General Electric Cred	15 Jul 1996	$ 500	1984	25.65	43¾
General Mills Inc	15 Aug 2004	$ 250	1984	11.85	19¾
General Mills Inc	15 Aug 2012	$ 1000	1984	4.80	8
Gmac O/s Finance	10 Feb 1990	$ 150	1982	34	72½
Gmac O/s Finance	3 Feb 1992	$ 250	1982	25¼	62½
Gmac O/s Finance	1 Oct 1992	$ 400	1982	22½	58¼
Golf Oil Finance	2 Mar 1992	$ 300	1982	25.87	60
Hewlett-Packard Fin	2 Jan 1991	$ 150	1982	64½	67
New England Life	7 Feb 1999	$ 80	1985	20¼	31¾
Nordic Investment Bk	17 Sep 1994	$ 150	1985	31¼	49¾
Pearson	7 May 1992	$ 100	1985	48¾	52½
Penney Jc Global Fin	17 Feb 1994	$ 200	1984	18½	49¾
Pepsico Capital	4 Feb 1993	$ 100	1982	28	55¾
Pepsico Capital	2 Mar 1994	$ 125	1982	20¾	52½
Philip Morris Credit	22 Feb 1992	ecu 120	1985	55.70	66¼
Philip Morris Credit	8 Jun 1994	$ 200	1982	22¼	50¾
Prudential Realty Sec	15 Jan 1999	$ 265	1984	20.88	32¾
Redland Finance	25 Apr 1992	$ 140	1982	41	59
Reynolds RJ O/s	20 Feb 1993	$ 400	1982	25½	57½
Sears Overseas	18 Feb 1992	$ 400	1982	24.72	61¾
Sears Overseas	27 May 1994	$ 400	1982	22¼	51
Sears Overseas	19 Jul 1994	$ 300	1982	20¾	48¾
Swedish Export Credit	18 Mar 1994	$ 250	1982	19.70	50¾
Swedish Export Credit	11 Sep 1994	$ 300	1982	21.025	49¾
Swiss Bank Corp	14 Nov 1997	$ 400	1982	17¾	39¾
Wells Fargo Intl Fin	4 Feb 1996	$ 125	1985	32	40¾
World Bank	28 Dec 2015	1000	1985	6	8
Xerox Credit O/s Fin	11 Feb 1992	$ 200	1982	25¾	60¾

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Herald Tribune (International)
BUSINESS/FINANCE

هكذا من الأصل

EUROBONDS

Reply to Economic News By Market Disappointing

By CARL GEWIRTZ
International Herald Tribune

PARIS — Some analysts say it is simply fatigue after a months-long rally. Others say it reflects wariness about the possibility of further declines in interest rates. Whatever the reason, the lackluster response of the dollar bond markets to last week's U.S. economic news was a clear disappointment to many.

On the face of it, the news of a record 1.6-percent drop in wholesale prices, eliminating any immediate fears of a rebound in inflation, and of deteriorating economic conditions, including a 0.6-percent drop in U.S. industrial production and a 0.7-percent rise in the level of inventories, should have fueled expectations of a continuing decline in U.S. interest rates and, thus, a renewed rise in bond prices.

Although the magnitude of the changes in the three indexes reported last week was a surprise, analysts said the direction had been expected and already reflected in bond prices. In addition, since so much of the recent favorable news is directly related to the sharp fall in oil prices, there was some hesitation about what might come out of the weekend meeting of oil exporters in Geneva.

While no one anticipates an imminent rise in interest rates, analysts report an increasing sense of incredulity that rates can drop much below where they are now. The tug of this pessimism against the optimists who believe rates will decline more, analysts add, is creating extraordinary volatility in bond prices.

Eurobond Yields
For Week Ended March 12

U.S.$ lg term, Int'l inst.	8.75 %
U.S.$ long term, ind.	9.80 %
U.S.$ medium term, ind.	9.81 %
Can.$ medium term	10.44 %
French Fr. short term	9.62 %
Sterling medium term	10.84 %
Yen medium term, Int'l inst.	6.15 %
Yen lg term, Int'l inst.	6.29 %
ECU short term	8.33 %
ECU medium term	8.64 %
ECU long term	8.59 %
EUA medium term	8.87 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended March 14
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	26,143.70	16,814.70	9,329.00
Euroclear	45,406.00	37,338.30	8,067.70

"Investors are nervous," one banker said. "They are sitting on substantial profits and, while they see no reason to begin taking them, they're not sure they shouldn't."

Meanwhile, issuers continue to push down the coupons. In the Eurodollar sector, the first straight fixed-rate bonds bearing coupons below 8 percent were offered by Volvo AB and Crédit Commercial de France.

Volvo's $100 million of 7⅞-percent, two-year notes was priced at 100½ and ended the week at 99⅞ for a yield of 8.1 percent. CCF offered $100 million of four-year notes that could be extended to 1998. They were widened from the 1994 maturity initially indicated.

CCF bank can call the paper or investors can request redemption every four years when a new coupon will be set. The initial coupon was set at 7¾ percent with an offering price of 100⅞. This paper traded at a two-point discount, also giving a yield of 8.1 percent.

GENERAL ELECTRIC sold $200 million of deep discount bonds bearing a low coupon of 4⅛ percent and offered at a price of 82.55, or $825.50, for paper that will be redeemed at maturity in seven years for $1,000. That capital gain is equivalent to paying investors 7.41 percent per year. Deducting the 1⅞-percent commission paid to underwriters, the cost of money to GE is 7.81 percent a year, or 13 basis points (0.13 percent), over comparably dated U.S. Treasury paper.

By contrast, a week ago GE issued $300 million of 20-year full coupon 8 percent bonds at a spread of 27 basis points over Treasury yields. That paper ended the week trading at 50 basis points over the benchmark rate.

To some extent, comparison between the two GE issues is not relevant as deep discount bonds appeal to a special audience: Investors in countries where capital gains are subject to either no tax or less tax than on interest income.

Nevertheless, a feature of the current market is that the pricing on new issues bears little or no relation to yields available in the secondary market. The CCF paper, less the 1⅝-percent commission, was issued at 58 basis points over the Treasury curve, while in the secondary market the recent issues of West German banks were trading at 80 to 100 basis points over the curve.

Norsk Hydro last week sold $150 million of 10-year bonds at par bearing a coupon of 8 percent, or 44 basis points over the curve, while its outstanding paper could have been bought in the secondary market for a yield of 60 basis points over the benchmark rate.

There will always be some yield difference between the new-issue and secondary markets because seasoned issues cannot be purchased in the same volume as new issues without moving the price. But the size of the current gap is one more indication that the new-issue market is not made up of investors looking to lock

(Continued on Page 11, Col. 1)

IMF Plan For Fund Reported

Trust Would Aid Poorer Countries

By Alver Carlson
Reuters

WASHINGTON — The executive board of the International Monetary Fund is expected to approve soon a trust fund for poorer countries, according to monetary sources.

The $2.7-billion fund, to go before the board on March 26, could be used by 50 or 60 countries.

The trust was first set up in the mid-1970s after the IMF voted to sell around 25 million ounces (750 million grams) of gold that the lending agency had in its coffers.

The trust then ran out of money in 1980. But since then the loans, which carry only a 0.5-percent interest rate over 10 years, have been repaid.

The decision to continue making the funds available is in recognition of the fact that many poor countries have made little or no progress over the last decade and many have lost ground.

The World Bank, the IMF's sister agency, is trying to come up with a similar agreement that would allow it to match money in the IMF trust fund.

Under the trust fund, the IMF would provide loans over three years, with equal amounts to be given each 12 months. The money would go only to help a country relieve balance-of-payments pressures, allowing some breathing room while it gets its economic house in order.

In tapping the fund, the IMF would recommend guidelines for economic activity but would not carry out the exhaustive reviews that characterize its other lending activity, the sources said. These reviews have often come under fire from developing countries.

The IMF expects to make the full $2.7 billion available immediately, but the World Bank may limit its fund to about $1.2 billion.

There may also be some debate between the two agencies on which countries are eligible for the funds.

The IMF says that 50 to 60 countries will qualify. China and India, the two largest developing countries, have said they will not use it.

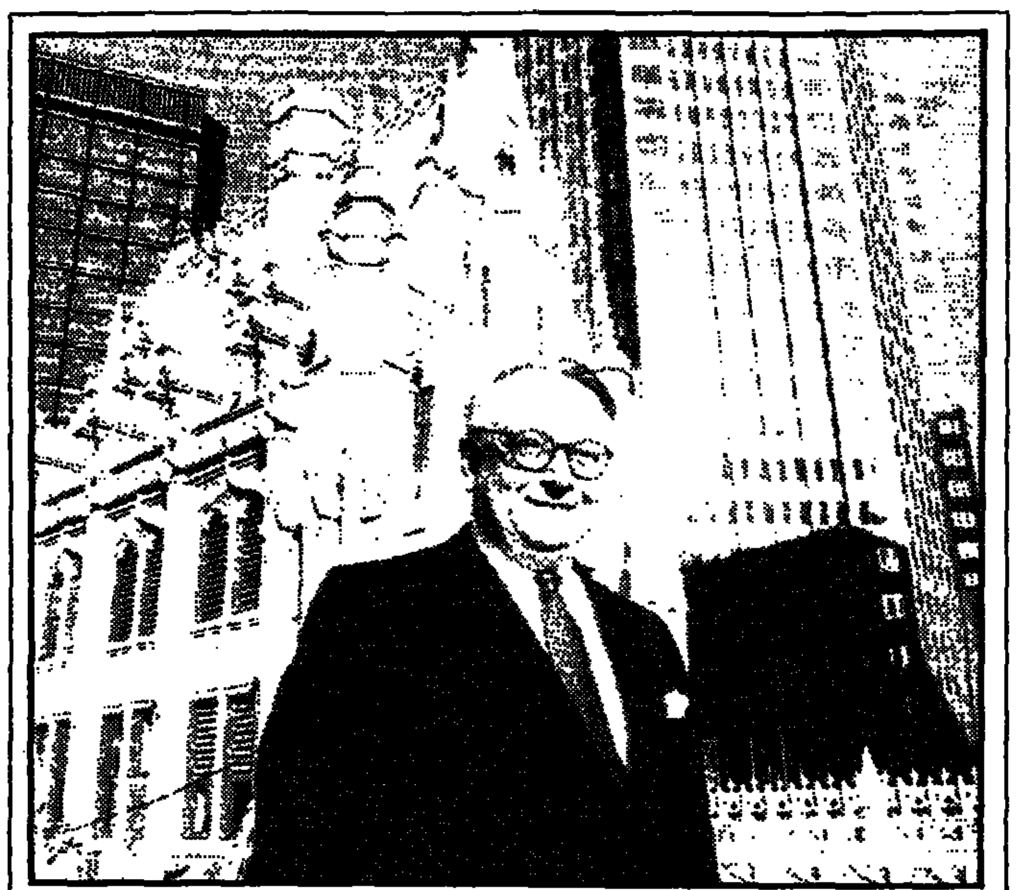
The World Bank currently makes credits under its International Development Association arm that are virtually interest-free and run for 50 years.

Last year, the bank gave IDA credits to 52 countries, although it considers only 38 of these nations so poor as to be eligible only for this kind of assistance.

The remaining 14 were given both credits and loans in recognition of their somewhat better economic health and thus their ability to pay more normal interest rates.

The World Bank is discussing a new infusion of funds for its IDA coffers, and the matching of the IMF funding is centered on this.

The last IDA funding was for $9 billion, but developing countries and many donor nations said it was not enough, considering the problems in many Third World countries.



The New York Times

J. David Barnes, Mellon's chairman, on a roof next to the bank's old and new buildings.

Hard Times, High Costs for Mellon

New Strategy Of Acquisition Shaves Profits

By Robert A. Bennett
New York Times Service

PITTSBURGH — Each day as Andrew Mellon had his hair trimmed in the anteroom outside his second-floor office, he would peer down into the marble lobby of the Pittsburgh bank his father had founded.

When an important customer walked in, he would jump out of his chair, run down a flight of stairs and greet the visitor.

That was at the turn of the century, when the entrepreneurial Mellon family was straining for new business at its bank, helping to establish such American institutions as Gulf Oil, Alcoa, Koppers, Carborundum and New York Shipbuilding.

As those companies grew so did Mellon Bank, and soon it became the symbol of the city's wealth, power and, many would say, arrogance.

For years, Mellon was entrenched in Pittsburgh's economic heart — until wrenching economic changes sent its major smokestack customers into disarray, and the changing needs of its traditional customers forced it to devise new strategies. As deregulation began sweeping across the country, Mellon saw mergers with other banks as a solution to its problems.

But in the past three years, since J. David Barnes, its chairman and chief executive, engineered the acquisition of Girard Bank, Mellon Bank Corp. has stumbled hard.

Buying the venerable but troubled Philadelphia bank has sent Mellon's profitability tumbling. Its balance sheet, once among the strongest of U.S. banks, has fallen below average. Moody's shaved Mellon's credit rating, its rate of loan losses has more than doubled, and the value of its stock lags behind its Pennsylvania rivals.

That has put Mellon at a severe disadvantage as a new round of acquisitions begins for the major American banks, which are struggling to expand in a highly competitive environment.

Analysts say Mellon is losing market share, particularly after losing some of Girard's small and medium-sized corporate customers. And even some of its own executives admit that Mellon is not equipped to compete against the major New York banks in providing highly sophisticated investment-banking services to the big companies Mellon traditionally served. Perhaps most painfully, its biggest rival, the Pittsburgh-based PNC Financial Corp., is booming.

"Mellon is not the bank it used to be," said Nancy A. Bush, senior analyst at Butcher & Singer, a Philadelphia-based securities firm.

J. Richard Fredericks of Montgomery Securities in San

(Continued on Page 13, Col. 5)

Kuwait Indicates A Willingness to Cut Oil Output

By Bob Hagerty
International Herald Tribune

GENEVA — Kuwait is willing to reduce its oil production if other members of the Organization of Petroleum Exporting Countries agree to adhere strictly to ouput restraints, the official Kuwaiti news agency reported Sunday.

The statement from one of OPEC's most influential members, released as the group opened an emergency meeting here, suggested a willingness to compromise in an effort to stop the plunge in oil prices.

"Let's put our own house in order" before asking producers outside OPEC to cooperate in restricting output, a Kuwaiti official said later.

But it was unclear whether OPEC could overcome deep differences on strategy.

Squabbling broke out early in the meeting when Algeria, Libya and Iran called for appointment of a new president of OPEC to replace Arturo Hernández Grisanti, the Venezuelan minister, according to one participant in the meeting.

The source said that Algeria's minister, Belkacem Nabi, implied that Mr. Hernández Grisanti favored the conservative Gulf oil producers over other factions.

Other members, however, supported Mr. Hernández Grisanti, and the issue was dropped.

Mr. Hernández Grisanti said at a news conference at the end of the first day's meeting that all 13 OPEC members wanted to defend "reasonable" oil price levels.

"All countries within OPEC are interested in maintaining and defending a reasonable level of prices and to avoid any possibility of an abrupt decrease in prices," he said.

He said Monday's closed session would begin to discuss what share of the market OPEC should defend.

Petroleum prices have about halved, to an average of around $15 a barrel, since the ministers conceded in December that OPEC could no longer control its production and announced a strategy of reaching for a larger share of the world market.

"If we don't get together now," Mana Said al Oteiba, oil minister of the United Arab Emirates, said in a television interview, "the price of oil will continue to drop, to a level far below $10."

He put chances for an agreement at about 50-50.

Most of the members appear eager to renew attempts to restrain production and to end the price war with producers outside OPEC.

In a poem distributed at the meeting Sunday, Mr. Oteiba of the UAE described the oil price war as folly, observing:

Our motto is, should they cut their prices:
Let there be cuts! Rashness became the norm.
We shall not stop till victory's complete!
(Though it's victors in this war that suffer defeat.)

But any attempt to restrain output would require backing from the most powerful member, Saudi Arabia, and its position was unclear.

Asked whether it was time for OPEC to reassert output quotas, Sheikh Ahmed Zaki Yamani, the Saudi minister, said: "We will explore all the possibilities."

Saudi Arabia has maintained that any new attempt to prop up prices would require sacrifices from all producers, including those outside OPEC.

Last December, some OPEC members appeared to hope that the threat of plunging prices would scare Britain and other non-OPEC oil producers into accepting production cuts, but Britain has repeatedly refused to accept OPEC's demands.

Many OPEC participants now suggest that a British cut in output no longer should be considered a precondition for OPEC to renew its attempts to restrain production. "If we're going to wait for the British, we're going to wait forever," a senior delegate said.

Mr. Oteiba said the British could help shore up prices "in their own way." The remark suggested that OPEC would not wait for Britain to make any public commitment to propping up prices, a move that would contradict the free-market

(Continued on Page 11, Col. 5)

Acceleration in U.S. Growth Still More Prospect Than Reality

By John M. Berry
Washington Post Service

WASHINGTON — Spring begins this week, and all those economists predicting robust U.S. economic growth for 1986 are hoping that more than crocuses and daffodils will be blooming soon. So far the economy is not.

Financial markets in the United States and many other industrial countries are expressing their confidence in the future, with stock indexes hitting new highs and falling interest rates giving bond owners big capital gains.

Nevertheless, current economic statistics are describing a lackluster present for the United States and raising new questions about how soon the promised faster growth will arrive.

The optimists cite three developments that should give the economy a boost this year:

- The big drop in long-term interest rates and surging prices for common stocks, which together are sharply cutting the cost of capital for businesses.
- Plunging oil prices.
- The decline in the value of the dollar on foreign-exchange markets.

Lower interest rates already are helping housing and should encourage more business investment, these economists argue. Falling oil prices reduce energy costs for businesses and households, leaving them with more money to spend on other things. And the lower value of the dollar should discourage imports and help build markets for U.S. goods abroad, they say.

"With those things coming along, I don't see how we can avoid having a good year for economic growth," said Lyle E. Gramley, economist with the Mortgage Bankers Association and a former governor of the Federal Reserve Board.

But like spring and its flowers, the growth rates of 4 percent or more commonly predicted are still more prospect than reality.

"The current data depict an economy that is extraordinarily lackluster," said Alan Greenspan of Townsend-Greenspan & Co.

"But it is an economy whose financial markets are projecting a very different outlook. If it were not for the very large decline in the cost of capital, there would be no reason to expect any acceleration" in economic growth.

Statistics released so far, for January and February, suggest a slow economic expansion, even if some of the more negative numbers — such as the 0.6-percent drop in industrial production in February reported Friday — are somewhat discounted because of severe weather in some parts of the country.

NEWS ANALYSIS

"The February employment data are consistent with an economy which is growing faster than it did through most of 1985, but which has not yet shifted into high gear," Mr. Greenspan told clients last week. He said that both income and final-demand data indicated that a pickup was necessary to reach 4-percent growth in the first quarter.

Wayne D. Angell, a Federal Reserve governor, has the same view. "Until we see evidence to the contrary, we have to accept that our economy is growing at somewhere between 2.0 and 2.5 percent" annually, he said last week.

Part of the problem is that all three of the major positive forces at work produce their stimulating effects only after lengthy lags. In the short run, the negative impact of falling oil prices on the oil and gas industry may be greater than the positive impact elsewhere from lower energy costs, according to Mr. Angell and other analysts.

Mr. Angell, who assumed his post last month, said the short-term impact on oil and gas producers is more pronounced than the long-term increase in consumer purchasing power.

Sam Nakagama of Nakagama & Wallace, a New York economic consulting firm, agreed: "Contrary to the popular view, we believe that the current plunge in petroleum prices constitutes another 'oil shock' and will tend to depress economic growth all around the world over the short run."

Why so? "The reason is that a drop in oil prices is not analogous to a tax cut — as most economists seem to believe — but is more like a transfer payment. It is a transfer from oil producers to oil consumers," he said.

Viewing the world as a closed trading system, he said, "a drop in prices means that oil producers — whether an individual firm or a nation — must immediately cut their spending at least as much as their incomes decline" or else borrow to make up the difference.

Certainly, that immediate effect has emerged in recent statistics. Mining output in the United States fell 3 percent in February, primarily reflecting "drastically curtailed" oil-and gas-well drilling activity, the Federal Reserve said in its report on industrial production.

According to its survey of payroll employment in February, the number of jobs in oil and gas extraction dropped from 603,000 in December to 585,000 in February. And the Oil & Gas Journal estimated recently that oil company capital spending would total less than $34 billion this year, down almost one-fourth from last year.

However, Mr. Greenspan estimated that the cutbacks in capital spending by the industry, which may be significant enough to reduce total business investment by 1.5 percent or more this year, have only begun to affect the data.

Meanwhile, the big drop in oil prices, with some crude oil fetching about $13 per barrel, less than half the level of a few months ago, helped push down the producer-price indices for finished, intermediate and crude goods. The index for finished goods fell 1.6 percent in February, the largest decline since the index first was calculated in 1947.

But oil was not the whole story on producer prices. There was virtually no sign of pressure on prices either from an acceleration in eco-

(Continued on Page 11, Col. 5)

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1792.74	1699.83	+5.47 %
DJ Util.	189.47	181.83	+4.20 %
DJ Trans.	816.24	791.34	+3.15 %
S&P 100	225.44	215.05	+4.83 %
S&P 500	236.55	225.57	+4.87 %
NYSE Cp.	136.17	130.38	+4.44 %
Britain			
FTSE 100	1623.30	1569.70	+3.41 %
FT 30	1359.70	1302.60	+4.38 %
Hong Kong			
Hang Seng	1607.60	1682.65	—4.46 %
Japan			
Nikkei 225	14516.70	13994.60	+3.73 %
West Germany			
Commerzbk	2092.40	1991.20	+5.08 %

Source: James Capel & Co. London.

Money Rates

United States	Last Wk.	Prev.Wk.
Discount rate	7	7
Federal funds rate	7¼	7¼
Prime rate	9	9
Japan		
Discount	4	4
Call money	5 5/16	5 13/16
60-day interbank	5 7/16	5 15/16
West Germany		
Lombard	5.50	5.50
Overnight	5.00	5.50
1-month interbank	4.65	4.50
Britain		
Bank base rate	12½	12½
Call money	n.a.	—
3-month interbank	n.a.	—

Dollar	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl index	117.30	118.00	—0.59 %
Gold			
London p.m. fix. $	348.00	343.35	+1.35 %

Currency Rates

Cross Rates *March 14*

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.549	3.741	112.885 *	36.685 *	0.1659 *	—	5.512 *	134.36 *	144.40 y
Brussels(a)	46.2625	67.89	20.482	6.6555	3.008 *	18.1458	—	24.37	26.215 *
Frankfurt	2.2598	3.313	—	32.50 *	1.4685 x	88.59 *	4.882 *	119.08 *	1.2805 *
London (b)	1.4645	—	3.3145	10.185	2,253.00	3.7338	67.81	2.785	258.80
Milan	1,538.80	2,255.80	680.75	221.22	—	603.28	33.221	809.60	8.719
New York(c)	—	0.681 ≈	2.2668	6.975	1,541.00	2.557	46.375	1.9035	176.825
Paris	6.951	10.202	3.077	—	4.5195 x	2.727	15.024 *	3.642	3.939 *
Tokyo	177.70	258.98	77.85	25.34	11.42 *	69.80	380.51 *	92.40	—
Zurich	1.8975	2.7824	84.09 *	27.32 *	0.1234 *	74.465 *	4.1025 *	—	1.0772 *
1 ECU	0.9557	0.6528	2.1599	6.6449	1,470.09	2.4377	44.2365	1.817	168.584
1 SDR	1.1522	0.78595	2.60374	N.Q.	1,772.98	2.937	53.3037	2.1883	204.82

Closings in London and Zurich, fixings in other European centers. New York rates at the close. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (≈) To buy one pound: $U.S.1.4685

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.179	Mex. peso	465.00	Soviet ruble	0.723
Austral. $	1.4245	Greek drac.	141.25	Norw. krone	7.125	Span. peseta	144.35
Austr. schil.	16.07	Hong Kong $	7.812	Phil. peso	21.00	Swed. krona	7.2125
Belg. fin. fr.	47.88	Indian rupee	12.3457	Port. escudo	145.00	Taiwan $	39.00
Brazil cruz.	13.77	Indo. rupiah	1,130.00	Saudi riyal	3.659	Thai baht	26.395
Canadian $	1.3913	Irish £	0.7582	Sing. $	2.1588	Turkish lira	608.85
Chinese yuan	3.2111	Israeli shek.	1.47	S. Afr. rand	1.9861	UAE dirham	3.6725
Danish krone	8.351	Kuwaiti dinar	0.2861	S. Kor. won	885.40	Venez. boliv.	18.80
Egypt. pound	1.34	Malay. ring.	2.518				

£ Sterling: 1.098 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

India to Buy 21 Westland Helicopters

Compiled by Our Staff From Dispatches

NEW DELHI — India has signed a £65-million ($94.4-million) contract with Westland PLC to buy 21 W-30 helicopters for its offshore-oil program, setting aside a dispute that blocked agreement for more than a year.

The contract, signed Saturday in New Delhi between Westland and the government-owned Helicopter Corp., will be financed by British government aid over two years, a British Embassy spokesman said.

Westland agreed to provide maintenance costs of about £21 million for the twin-engine, 17-seat helicopters, Press Trust of India reported.

India hesitated over the agreement for more than a year, contending that Britain had failed to deal with British-based Sikh militants advocating an independent Sikh nation in the Indian state of Punjab. That issue is expected to be discussed between Sir Geoffrey Howe, Britain's foreign secretary, and Indian officials on Sir Geoffrey's visit in two weeks.

Westland's recent financial troubles raised some doubts that the sale would go through, but stockholders voted on Feb. 12 to accept a plan to rescue Britain's only helicopter maker. United Technologies Corp. of the United States and Italy's Fiat SpA are to inject about £43 million into Westland.

Many of Westland's problems were attributed to the company's failure to gain orders for the W-30.

On Sunday, India signed a previously announced agreement with Airbus Industrie, the European aircraft consortium, to buy 19 A-320 commercial aircraft for $1.2 billion, Press Trust of India reported.

(UPI, Reuters)

Australia Criticizes Deferral Of Trade Meeting With EC

Agence France-Presse

CANBERRA — Australia's foreign minister, Bill Hayden, sharply criticized on Sunday a European Community decision to defer a ministerial trade meeting with Australia.

The EC said last Thursday that it would postpone a scheduled visit by the commissioner for external affairs and trade, Willy de Clercq, because of the Australian government's "unfriendly attitude."

In a television interview, Mr. Hayden said an EC representative in the Australian capital had expressed concern that Prime Minister Bob Hawke and trade minister John S. Dawkins had been "too tough" in their criticisms of EC trading practices.

Nevertheless, he said, he found the decision to postpone the meeting difficult to understand.

Mr. de Clercq had been due in Australia in April as part of regular consultations.

The EC decision followed Australia's appointment of a special trade commissioner to Europe, Lindsay Duthie.

Mr. Hayden said that Australia had a problem with the EC over the way it "heavily subsidized the production of farm products and dumped them on the world markets."

"Now the United States is engaging in a farm-products war with the European Community and they are literally both dumping food grains, in particular wheat, and we're getting knocked about," he said.

He said that all Australia could do was to present its case strongly "and hope that they can be converted to the view that what they're doing is a violation of the principles of open market trading, which they're always espousing at other international forums."

He added that, "We must look after the interests of people in this community, particularly the farm sector, which has been very badly disadvantaged. We're not prepared to make apologies about that, and we will persist in making those representations."

A spokesman for the EC's mission in Canberra said Mr. Hawke would be meeting the president of the European Commission, Jacques Delors, on April 22 in Europe.

Mr. Hayden said he presumed that the proposed visit would have to be looked at carefully, although he refused to be drawn on whether he thought it should be canceled.

Tung Group Seeks Further Backing

By Joshua So
Reuters

HONG KONG — Tung shipping group is continuing to seek investor support after Henry Fok, a Hong Kong businessman, agreed last week to make a $120-million capital injection, company sources said Sunday.

A source close to Tung's public arm, Orient Overseas (Holdings) Ltd., said that "many plans" to help restructure the group's debts of about 20 billion Hong Kong dollars ($2.56 billion) were being negotiated. He gave no further details, but said that it would be desirable to have the restructuring completed by September.

Mr. Fok said Friday that he would inject $100 million into a container transport company and $20 million into a ship-owning company, both to be formed with assets of Orient Overseas and Tung's private subsidiary, Island Navigation Corp.

The investment will be made only when the Tung group's debt restructuring, handled by Shearson Lehman Brothers Ltd. and Hambro Pacific Ltd., has been completed, he said.

Bankers in Hong Kong said, however, that Mr. Fok's investment would be insufficient unless accompanied by further new capital or a substantial deferral in debt repayments.

The Tung group is also seeking price reductions and deferral of deliveries of 24 new ships ordered from Japanese shipyards, the Orient Overseas source said.

These vessels, including five container ships, are to be delivered before 1989. They would become initial assets of the ship-owning company to be spun off from Tung, the source said.

The other spin-off company will be formed with vessels and personnel of Orient Overseas' container section and will "get the benefit from assets related to the private side," he said.

Orient Overseas will maintain its tanker and bulk-carrier services, but is reviewing other assets such as real estate, insurance and offshore oil rigs, with the possibility of disposing of part or all of them, the source said.

Tung group recently told creditors that there would be a coordinated restructuring of Orient Overseas and Island Navigation, as well as a proposal to divide Orient into three independent units of container services, tankers and bulk carriers, and nonshipping assets.

Island Navigation last month signed a 90-day interim agreement with creditors.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Apollo Comp.	16	16¼
Mr Gasket	8	8¼
Bitter Corp.	6⅛	6¾
Modulaire	14¾	15
Rodime	10⅞	11¼

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

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AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 11th March 1986.

International Bond Prices

(Continued from Page 8)

NEW ZEALAND

NORWAY

PORTUGAL

SOUTH AFRICA

SOUTH AMERICA

SPAIN

SUPRANATIONAL

SWEDEN

SWITZERLAND

UNITED KINGDOM

U.S.A.

EURO CURRENCY UNITS

CANADIAN DOLLARS

NORWAY KRONER

POUNDS STERLING

FRENCH FRANCS

JAPANESE YEN (EURO)

NASDAQ National List

OTC consolidated trading for week ended Friday.

CONVERTIBLE BONDS

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Explanation of Symbols

The Daily Source for International Investors.

Herald Tribune

THE 1986 International Herald Tribune READER SURVEY

The International Herald Tribune currently sells more than 168,000 copies each day in 164 countries around the world. To serve this diverse international audience effectively, we need to know about its interests and characteristics. This information is important for our editors and our advertisers alike.

This is the week when, by means of this questionnaire, we take an annual snapshot of all our readers—including the full spectrum from new, even first-time readers, to regular established subscribers.

We need to know about you. And this questionnaire is the best way we have to find out. Accordingly, we would be most grateful if you would take a few minutes to complete this questionnaire, fold it using the instructions on the reverse side, and mail it back to the independent organization which conducts this survey, Research Services Ltd. in London. Your replies will be treated in complete confidence: we do not even ask for your name or address.

As a gesture of our appreciation we will make a charitable donation to the charity of your choice for each returned questionnaire.

This reader survey is extremely important to us.

The results of the survey and the total contributed to each charity will be published here in June.

With our warmest thanks.

Lee W. Huebner
Publisher

1. Where did you read this copy of the IHT? *(Please check ✓ all that apply.)* — 9

- At home [1]
- At work [2]
- Traveling locally [3]
- Traveling abroad [4]
- Elsewhere [5]

2. How often do you usually read or look at the IHT? — 10

- First time reader [1]
- 5-6 days a week [2]
- 3-4 days a week [3]
- 1-2 days a week [4]
- Less often than once a week [5]
- Mainly see when traveling [6]

3. How many people, *including yourself,* usually read your copy of the IHT? — 11

- One [1]
- Two [2]
- Three [3]
- Four [4]
- Five or more [5]
- More than one, but don't know how many [6]

Travel

4. Approximately how many business air trips have you taken in the past 12 months? *(Count a round-trip as one.)* — 12

None [0] 1-2 [1] 3-5 [2] 6-9 [3] 10-20 [4] 21+ [5]

5. Which of the following destinations have you flown to on business in the past 12 months? *(Please check all that apply.)*

	13		14		15
Benelux countries	[1]	Other Europe	[1]	Middle East	[1]
France	[2]	African countries	[2]	Japan	[2]
Germany	[3]	USA East Coast	[3]	Hong Kong	[3]
Italy	[4]	USA West Coast	[4]	Singapore	[4]
United Kingdom	[5]	Other USA	[5]	Other Asia	[5]
Scandinavia/ Finland	[6]	Canada	[6]	Australia/ New Zealand	[6]
Spain/Portugal	[7]	Latin America/ Caribbean	[7]	Elsewhere	[7]
Switzerland	[8]				

6. Which class of air travel do you usually use for *a)* short-haul and *b)* long-haul trips?

	a) short-haul (up to four hours) — 16	*b)* long-haul (over four hours) — 17
First Class	[1]	[1]
Concorde	[2]	[2]
Business Class	[3]	[3]
Economy	[4]	[4]
Other	[5]	[5]

7a. How many holidays of four nights or more have you taken away from home in the past 12 months? — 18

One [1] Two [2] Three [3] Four or more [4] None [5]

7b. Which, if any, of the following types of holiday have you taken in the past two years? — 19

- Winter sports holiday [1]
- Long-haul holiday to another continent [2]
- Villa/Apartment holiday [3]
- Special interest package (e.g. archeology, music festival) [4]
- Cruise [5]
- Health farm/Spa/Cure [6]

Ownership & purchases

8. Which, if any, of the following items have you bought duty-free (airports, in-flights, ferries) in the past 12 months? — 20

- Scotch malt whisky [1]
- Scotch blended whisky [2]
- Bourbon [3]
- French Cognac [4]
- Champagne [5]
- Gin [6]
- Vodka [7]
- Other alcoholic beverages [8]
- Cigarettes [9]
- Tobacco/Cigars [0]
- Perfumes/ Cosmetics [x]

9. Which, if any, of the following, have you bought for yourself or as a gift for others in the past two years?

	21		22
Paintings or Sculpture	[1]	35 mm SLR Camera	[1]
Antique Furniture	[2]	Other 35 mm camera	[2]
Gems or precious jewelry	[3]	Video/movie camera	[3]
Couture label clothing	[4]	Compact disc player	[4]
Leather travel goods	[5]	VCR	[5]
Interior design services	[6]	Personal computer	[6]
A quality watch	[7]		

10. Which, if any, of these cards do you use nowadays? — 23

- Access/Eurocard/MasterCard [1]
- American Express Gold/ Platinum [2]
- American Express Green [3]
- Diners Club [4]
- Visa Gold/Premium [5]
- Visa/Carte Bleue/ Barclaycard [6]
- ATC (Air Travel) [7]

11. How many cars are there in your household, including any company-owned cars? — 24

No car [0] One [1] Two [2] Three or more [3]

12. What is the engine size of your (main) car? — 25

- Up to 1,500 cc [1]
- 1,501-1800 cc [2]
- 1,801-2,000 cc [3]
- 2,001-2,500 cc [4]
- Over 2,500 cc [5]
- Don't Know [6]

If not known, write in make and model .....

13. When do you expect to replace your (main) car? — 26

In 1986 [1] In 1987 [2] In 1988 [3] 1989 or later [4] Don't know [0]

14. Approximately how many times have you rented a car for business purposes in the past 12 months? — 27

	In country of residence	Abroad
Not rented	[1]	[5]
1-2 rentals	[2]	[6]
3-6 rentals	[3]	[7]
7 or more rentals	[4]	[8]

Investments

15a. Which, if any, of the following types of investment do you or members of your household have?

	28		51
Stocks & Shares	[1]	Financial Futures	[1]
Government Securities	[2]	Commodities	[2]
Mutual Funds/Unit Trusts	[3]	Gold/precious metals	[3]
Bonds	[4]	Property: land or real estate excl. main home	[4]
Offshore Funds	[5]	Private pension plans	[5]
Listed Stock Options	[6]	Collectables: art, antiques, coins, stamps, etc...	[6]

15b. What is the approximate total value of the above, and any other investments, owned by you and members of your household? *(in US dollars)* — 29

- Under US$ 50,000 [1]
- 50,000 to under 100,000 [2]
- 100,000 to under 250,000 [3]
- 250,000 to under 500,000 [4]
- 500,000 to under 1 million [5]
- US$ 1 million or more [6]

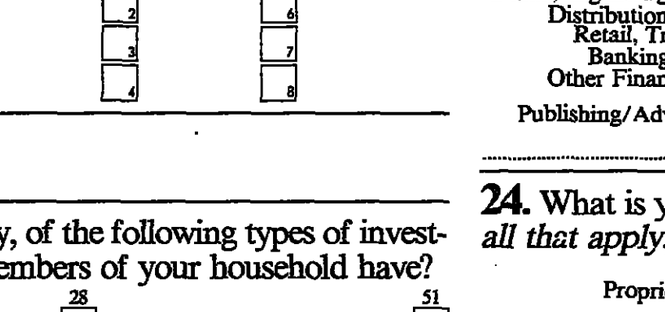
16a. On approximately how many separate occasions have buying or selling transactions been placed for your personal investment account in the past 12 months? — 30

None [0] 1-4 [1] 5-9 [2] 10-24 [3] 25-49 [4] 50-99 [5] 100 or more [6]

16b. On which stock exchange(s) were any of these transactions made? — 31

Amsterdam [1] Frankfurt [2] London [3] Paris [4] Zurich [5] Exchanges in USA [6] Hong Kong [7] Singapore [8] Tokyo [9] Other exchange(s) [0]

In 1984, the IHT contributed $11,724 to charity on behalf of respondents to a similar questionnaire



A U.S. DOLLAR FROM YOU TO A CHARITY

About you

17a. In which country are you currently resident? — 32-33

Write in .....

17b. Of which country are you a citizen? — 34-35

Write in .....

17c. How long have you been living in your present country of residence? — 36

Less than 6 months [1] 6-12 months [2] 1-5 years [3] More than 5 years [4]

18. Are you? — 37

Male [1] Female [2]

19. What is your age? — 38

- Under 25 [1]
- 25-34 [2]
- 35-44 [3]
- 45-54 [4]
- 55-64 [5]
- 65 or over [6]

20. Which educational level have you obtained? — 39

- Doctorate/ higher university degree [1]
- University degree/equivalent professional qualification [2]
- Secondary or High School [3]
- Other [4]

21. Into which of the following groups does your pre-tax household annual income from all sources fall? *(Check in US$ or write in your own currency.)* — 40

- Up to US $25,000 [1]
- $25,000 to $49,999 [2]
- $50,000 to $74,999 [3]
- $75,000 to $149,999 [4]
- $150,000 to $249,999 [5]
- $250,000 or more [6]

or annual income in own currency (WRITE IN).....

Your occupation

22. What is your working status? — 41

- Full-time employed [1]
- Part-time employed [2]
- Retired [3]
- Housewife [4]
- Student [5]
- Other [6]

If you are employed please answer Questions 23-26. Otherwise skip to Question 27.

23. What is your employer's principal activity? — 42

- Government/Diplomatic [1]
- Data processing/Telecommunications/Electronics [2]
- Manufacturing industries incl. Extrac., Engineering & Processing [3]
- Distribution, Wholesale/ Retail, Transportation [4]
- Banking/Insurance/ Other Financial Services [5]
- Publishing/Advertising/PR [6]
- Business Services [7]
- Legal/Medical/Educational [8]
- Artistic Professions [9]
- Armed Forces/Police [0]
- Other (Write in) — 43 [1]

24. What is your job title or position? *(Please check all that apply.)*

	44		45
Proprietor/Partner	[1]	Technical Specialist	[1]
Chairman of the Board	[2]	Clerical	[2]
President/ Chief Executive Officer	[3]	Senior Government Officer	[3]
Managing Director	[4]	Other Government Officer	[4]
Chief Financial Officer/ Finance Director	[5]	Consultant	[5]
Other Senior Management	[6]	Other Professional	[6]
Middle Management	[7]	Self-employed	[7]
Junior Executive	[8]	Other (Write in)	[8]

25. How many people does your company employ in the country in which you are currently based? — 46

- Under 10 [1]
- 10-49 [2]
- 50-249 [3]
- 250-999 [4]
- 1,000-4,999 [5]
- 5,000 or more [6]

26a. Does your company also operate outside the country in which you are currently based? — 47 Yes [1] No [2]

If so, in how many countries? — 48

1-5 [1] 6-15 [2] 16+ [3]

26b. Do you have responsibilities for policies or operations in any other countries? — 49 Yes [1] No [2]

27. Which one of these charities should benefit from your dollar donation? — 50

- SAVE THE CHILDREN [1]
- INTERNATIONAL RED CROSS [2]
- HEART FOUNDATION [3]
- WORLD WILDLIFE FUND [4]
- CANCER RESEARCH [5]
- LIVE AID [6]

Thank you for your cooperation.

A

B

C (INSERT FLAP HERE)

D (FLAP)

A

P6543

MRS. DAWN MITCHELL
RESEARCH SERVICES LIMITED
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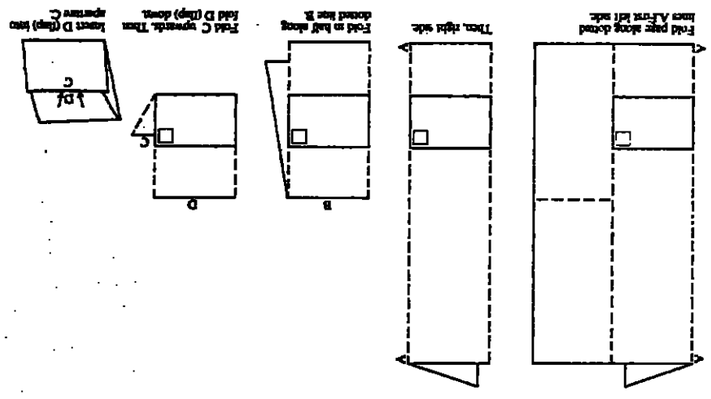


7th March 1986

Mr Lee Buehner
International Herald Tribune
181 Avenue Charles de Gaulle
92200 Neuilly sur Seine
France

Dear Lee

Thank you for commissioning us to undertake the 1986 Audience Survey.

We guarantee to process all the replies received with absolute confidentiality. Information relating to individual replies will be analysed in a statistical form only. No personal information will be passed to anyone outside our organisation.

The questionnaire will appear in the paper in mid March, and we will process all replies received before the end of April. The responses will be eligible for the dollar donation to charity: I assume you will publish the value of the total contribution when you publish the survey results in June.

With best wishes

Yours sincerely

Dawn Mitchell
Chairman & Chief Executive

Research Services Ltd

A

New Eurobond Issues

Compiled by Laurence Desvilettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Chrysler Financial	$150	1991	¾	100	99.65	Over 6-month Libor. Noncallable. Fees 0.40%. Denominations $10,000. $100 million issued now and $50 million reserved for a one-year tap.
Sparekassen	$75	1991	⅛	100	—	Over 3-month Libor. Noncallable. Fees 0.25%. Denominations $100,000. $40 million issued now and $35 million reserved for a six-month tap.
Unocal	$200	1996	½	100	98.80	Over 6-month Libor. Callable at par in 1991. Fees 1.35%. Denominations $10,000.
Bradford & Bingley Building Society	£100	1998	⅛	100	99.78	Over 3-month Libor. First coupon prefixed for 2 months at 12⅛%. Callable at par in 1991 and redeemable at par in 1996. Fees 0.25%. Denominations £10,000.
Leeds Permanent Building Society	£200	1996	⅛	100	99.85	Over 3-month Libor. First coupon prefixed for 2 months at 12 1/16%. Callable at par in 1991. Fees 0.18%. Denominations £10,000.
Montedison Finance (Overseas)	DM 150	1993	⅛	100	—	Over 6-month Libor. Callable at par in 1991. Fees 0.50%.
FIXED-COUPON						
BPCA Finance	$150	1998	8⅜	100¼	97.50	Noncallable. Fees 2⅛%.
Crédit Commercial de France	$100	1998	7¾	100⅝	98.88	Callable and redeemable at par in 1990 and 1994 when new terms will be set. Fees 1⅝%.
Fuji Electric	$80	1996	8¼	101⅜	99.38	Noncallable. Fees 2%.
General Electric	$200	1993	4⅛	82.55	81.05	Yield 7.41%. Noncallable. Fees 1⅞%.
ICI Finance Netherlands	$100	1996	8	100¼	99.50	Noncallable. Fees 2%.
Norsk Hydro	$150	1996	8	100	98.38	Callable at 101½ in 1993. Fees 2%.
Province of New Brunswick	$100	1996	8	99¾	98.25	Noncallable. Fees 2%. $75 million issued now and $25 million reserved for tap.
Volvo	$100	1988	7⅞	100½	99.88	Noncallable. Fees 1⅝%.
Amsterdam Rotterdam Bank	DM 200	1994	5¾	99½	98.50	Noncallable. Fees 2⅛%.
European Investment Bank	DM 300	1996	5⅝	99¾	98.25	Noncallable. Fees 1⅝%.
Int'l Finance Corp.	DM 100	1996	5⅞	99½	—	Noncallable private placement. Fees 1½%.
Series C Euro-DM Securities Ltd	DM 268.2	1996	zero	54.75	—	Yield 6.21%. Noncallable. Proceeds 143 million marks. Fees 2⅛%.
Series C Euro-DM Securities Ltd	DM 268.2	2006	zero	27.85	—	Yield 6.60%. Noncallable. Proceeds 72.8 million marks. Fees 2½%.
Series C Euro-DM Securities Ltd	DM 600	2016	zero	17.65	—	Yield 5.95%. Noncallable. Proceeds 103 million marks. Fees 2½%.
Alliance & Leicester Building Society	£60	1991	10	100½	98.88	Noncallable. Fees 1⅞%.
Commerzbank Overseas Finance	£50	1993	10	101	98.88	Noncallable. Fees 1⅞%.
Nationwide Building Society	£75	1993	10⅛	101	98.63	Noncallable. Fees 1⅞%.
Swedish Export Credit	FF 600	1996	8¾	100	99.25	Callable at 101½ in 1992. Fees 2%.
Banco di Roma (London)	ECU 100	1993	8¼	100½	99.50	Noncallable. Fees 1⅝%.
Colgate Palmolive	ECU 75	1991	8	101½	101.38	Noncallable. Fees 1⅞%.
European Coal & Steel Community	ECU 30	1996	7⅝	100	98.88	Noncallable. Sinking fund to start in 1991. Fees 2%.
Chrysler Credit Canada	C$75	1991	10	100¼	97.63	Noncallable. Fees 1⅞%.
Ford Credit Canada	C$75	1993	10	101¼	99.50	Noncallable. Fees 1⅞%.
American Express Overseas Finance	Y 20,000	1991	5⅞	101	—	Noncallable. Fees 1⅞%.
Atlantic Richfield	Y 18,000	1996	6⅛	100⅞	96.88	Noncallable. Fees 2%.
Compagnie Française des Pétroles Total	Y 10,000	1991	6	101½	99.63	Noncallable. Fees 1⅞%.
Federal National Mortgage Association	Y 27,000	1996	8	101½	100.00	Noncallable. Redeemable in dollars at maturity at a fixed exchange rate of 171 yen per dollar. Fees 2%.
Finland	Y 15,000	1991	5¾	101⅜	99.63	Noncallable. Fees 1⅞%.
IBM Credit	Y 18,000	1991	5¾	101½	100.63	Noncallable. Fees 1⅝%.
Sumitomo Metal Industries	Y 20,000	1991	7	101½	—	Noncallable. Redeemable in dollars at maturity at a fixed exchange rate of 173.25 yen per dollar. Fees 1⅞%.
Swedish Export Credit	Y 10,000	1991	6	101½	100.00	Noncallable. Fees 1⅞%.
EQUITY-LINKED						
BASF Finance Europe	$235	2001	3	100	100.15	Callable at 102½ in 1996. Each $1,000 note with 2 warrants, exercisable into a total of 12 company's shares at 308 marks each, a 5% discount. Fees 2⅛%.
Fujita	$50	1991	4	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 490 yen per share and at 181.45 yen per dollar. Fees 2¼%.
Gibraltar Savings	$100	2006	7½	100	—	Callable at 103 in 1989. Convertible into Gibraltar Financial Corp.'s shares at $13.35 each, a 21.4% premium. Fees 2½%.
Omron Tateisi Electronics	$100	1991	4	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,415 yen per share and at 181.45 yen per dollar. Fees 2¼%.
Thermedics	$25	1996	open	100	—	Coupon indicated at 5½ to 5¾%. Callable at 101 in 1991. Convertible at an expected 5 to 10% premium. Fees 2½%. Terms to be set March 18.
Kao	DM 120	1993	1⅞	100	—	Noncallable. Each 5,000-mark note with 2 warrants exercisable into company's shares at 1,165 yen per share and at 80.09 yen per mark. Fees 2½%.
WARRANTS						
Goldman Sachs Int'l	0.25	11 mos	—	$30	$36	Call warrants to buy at 119¾ U.S. Treasury's 9¼% bond of 2016.
Goldman Sachs Int'l	0.25	11 mos	—	$30	$28½	Put warrants to sell at 107 U.S. Treasury's 9¼% bond of 2016.
Royal Bank of Canada	0.10	1989	—	$32½	—	Warrants exercisable at 103¾ into U.S. Treasury's 8⅞% bond of 1991.

Market Loses Momentum At Midweek

By Michael Quint
New York Times Service

NEW YORK — Interest rates on U.S. Treasury issues due in five years or less fell slightly Friday, while rates for long-term issues moved higher in volatile trading.

As investor and speculative demand for long-term bonds seemed to wane, the bond market benefited

U.S. CREDIT MARKETS

little from larger-than-expected declines of 0.6 percent in industrial production in February and a 1.6-percent drop in producer prices for the same month.

In the past few months, signs of a weak economy and low inflation have contributed to the sharp decline in Treasury-bond yields, from 10 percent last November to 9.30 percent Feb. 7 and as low as 7.92 percent at Wednesday's close.

Low inflation is especially beneficial to long-term bonds, while weak economic statistics lead market participants to anticipate moves by the Federal Reserve to stimulate the economy by easing monetary policy and reducing short-term interest rates.

"The declines in production and producer prices were greater than expected, but the market's reaction may have been subdued by concerns that March employment data will show a strong increase," said Robert Ried, an economist at Ried, Thunberg & Co., an economic analysis firm in Westport, Connecticut. "Another cut in rates by the Fed is not likely before early May," he added.

Although the yield for the bellwether 30-year Treasury bond ended the week below 8 percent, trading in the previous few days had been extremely treacherous, with wide fluctuations in prices. The 9¼-percent issue gained nearly 2½ points in the week's trading, but the push toward higher prices and lower interest rates seemed to lose momentum at midweek, after the bellwether issue rose above 116 in overseas trading on Wednesday.

Securities dealers said that the amount of investor buying of long bonds had subsided, and that trading volume had fallen from the record $134.5 billion of average daily transactions that the Federal Reserve Bank of New York reported for the 36 primary dealers in the week ending March 5. As trading volume diminished later in the week, market participants noted that relatively few transactions could have a large effect on prices of Treasury securities and related futures contracts.

On Friday, for example, the 9¼-percent issue fluctuated between a high of 115 25/32 and a low 114½, before closing at about 114¾, down 18/32 on the day, to yield 7.95 percent. Most of the decline came around 2:45 P.M., when the price of the June Treasury-bond futures contract fell more than a point in just a few minutes of trading. After the close of the futures markets, prices of Treasury bonds continued to fall in the cash market.

Commenting on Friday's erratic activity, a bond trader at one large New York firm said, "There was a very large seller, and I can't say anything more than that."

U.S. Consumer Rates
For Week Ended March 14

Passbook Savings	5.50 %
Tax Exempt Bonds, Bond Buyer 20-Bond Index	6.89 %
Money Market Funds, Donoghue's 7-Day Average	7.31 %
Bank Money Market Accounts, Bank Rate Monitor Index	6.63 %
Home Mortgage, FHLB average	11.34 %

Telefonica Approaches Its Lenders on Its Own

By Carl Gewirtz
International Herald Tribune

PARIS — Telefonica, the Spanish telephone utility, rather than assign one bank or a group of banks to arrange a line of credit to back the sale of Euro-commercial paper, is approaching its major lenders itself in the hope of achieving a lower financing cost than otherwise would be possible. The approach has been used before, by British Petroleum Co. for example.

But even BP — which has lots of other lucrative business to entice reluctant lenders — had bankers grumbling about the client usurping their role, and fees, in syndicating new business.

Telefonica is seeking a $250-million line of credit for 10 years to back the sale of short-term paper. The utility is offering to pay the banks a thin annual fee of five basis points, or 0.05 percent, for the first five years and six basis points thereafter for establishing the credit line.

Bankers consider the terms extremely aggressive. Telefonica's strategy by going directly to the banks it usually does business with is to make it difficult for them to say no without putting that relationship into question. By contrast, if the banks had been approached in the usual way, through one bank or a group of banks mandated to arrange the credit, it would have been easier to refuse.

If Telefonica is forced to draw on the credit it will pay more, but the current demand for short-term paper makes such a drawing unlikely. The banks would much prefer to extend a low-margin loan that will be drawn, as in the case of ICO, the Spanish credit agency. It is currently seeking a $100-million, eight-year loan on which it will pay 10 basis points over the London interbank offered rate for the first two

INTERNATIONAL CREDIT

years and 12½ basis points over Libor thereafter.

A loan that is drawn permits banks to make money by their own funding operations. With banks today able to raise, through swaps, floating-rate money at ¼ to ½ point below Libor, a loan paying 10 basis points over Libor could actually be worth 35 to 60 points over Libor to the lender.

Jaguar, the British auto company, is also tapping the market for a £100-million, five-year multiple-option facility. Against this, it will be able to seek short-term advances in sterling or dollars or issue short-term sterling notes. It is asking banks to underwrite only £50 million, offering an annual facility fee of 6¼ basis points.

If Jaguar draws on this loan, it would pay 10 basis points over Libor or 12½ basis points if more than half the amount is drawn.

The other companies announcing plans last week to issue short-term paper planned to use existing credit lines to assure the necessary liquidity to redeem securities if they could not be rolled over, rather than seeking underwriting commitments.

The Korean Exchange Bank, which 18 months ago arranged a $150-million underwritten facility, now plans to sell an additional $150 million in commercial paper on a non-underwritten basis. Bankers Trust, Salomon Brothers and Merrill Lynch will be marketing the new paper on a best-efforts basis.

Banco di Roma will be offering up to $250 million or its equivalent in European currency units. Citicorp will be the sole dealer, placing certificates of deposit ranging in maturity from 7 to 365 days.

Tenneco appointed Merrill Lynch, Morgan Stanley and Shearson Lehman Brothers to issue up to $200 million in commercial paper. Kodak named Citicorp, Credit Suisse First Boston and Lehman Brothers to market up to $200 million of notes, while Honda, seeking $50 million, appointed Morgan Guaranty and Lehman Brothers to market its paper.

Also tapping the market are Norway's Dyno Industrier A/S for up to $100 million and Sparebanken Nord for up to $75 million. Skanska Banken of Sweden will be seeking to place up to $100 million or its ECU equivalent.

In the credit market, Tunisia is seeking to borrow $175 million. The bulk of this, $100 million or its ECU equivalent (at the option of lenders), is being syndicated as an eight-year credit with interest set at ⅝ point over Libor for the first five years and ½ point over Libor in the final three years.

The lower margin in the final years will be paid on a smaller amount, as Tunisia begins repaying the principal after four years.

In November 1984, Tunisia paid a ½-point margin for the first four years on an eight-year loan that began amortizing after four years. The margin in the final three years was ⅝ point over Libor. Thus, Tunisia is paying slightly more for its money now.

The remaining $75 million is a tax-spared loan with interest set at ¼ point over Libor for the first four years and ⅜ point thereafter. This is designed to appeal to banks in Britain that can benefit from a British-Tunisian tax treaty by claiming a credit against their British tax bill for taxes due, but not paid, in Tunisia.

ENI, the Italian government holding company, is renegotiating terms on the remaining $200 million on an eight-year loan arranged in 1980. With less than three years left, the interest rate is being cut to 10 basis points over Libor from the 9/16 point over Libor that it had been paying. Banks lending $10 million will be paid a one-time renegotiation fee of 5 basis points.

France Opens Markets To Insurance Firms

Reuters

PARIS — Insurance companies will be allowed to trade in commercial paper, certificates of deposit and notes issued by specialized credit institutions, as part of the reform of French capital markets, the Finance Ministry said.

This would give insurance companies better opportunities for investing in negotiable paper, it said Friday.

Kuwait Willing to Cut Output If OPEC Agrees to Restraints

(Continued from Page 9)

principles of the ruling Conservative Party.

While some OPEC leaders seemed eager to avoid further confrontation with Britain, Sheikh Yamani was quoted by London's Sunday Telegraph as saying that refusal by Britain to cooperate would lead to "disaster," for which the British "would bear the lion's share of the blame."

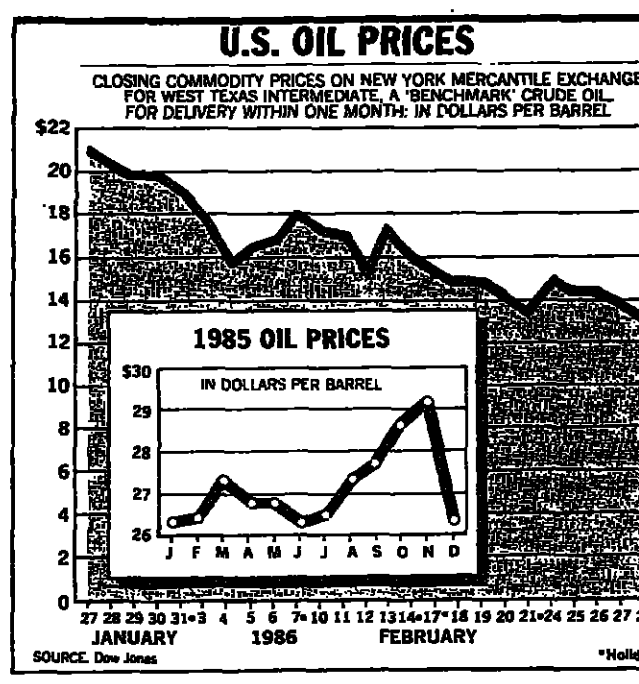
In some OPEC countries, he was quoted as saying: "We could be headed for political upheavals, sparked off by financial collapses due to this huge, sudden slump in oil prices."

The Saudi minister also was quoted as saying that he had not "despaired" of arranging talks with Britain and Norway, another big producer outside of OPEC.

Some observers interpreted Sheikh Yamani's strident tone as an indication that the Saudis were not yet ready to discuss production cuts and wanted to focus blame for the price drop on Britain.

The collapse of prices already is wracking the economies of oil producers. Venezuela, for instance, said last week that it would need to renegotiate a $21-billion debt-rescheduling agreement, signed only last month, to take lower revenue into account.

Norway's government announced plans for tax increases on gasoline, alcohol and meat, and for deep budget cuts. Saudi Arabia said it would delay its annual budget for five months, citing uncertainty over the price of its dominant export.



Still No Signs of Hoped-for U.S. Growth Pickup

(Continued from Page 9)

nomic growth or from rising prices for imported goods.

For instance, prices for finished goods other than foods and energy were unchanged between November and February on a seasonally adjusted basis. Intermediate-materials prices, similarly excluding foods and energy, were down slightly in the past three months.

Often, prices of some materials that are traded in sensitive auction markets give early indications of any acceleration of economic growth. There are few indications of this in the latest reports.

The latest trade figures, which are a month older, are gloomy, too. The merchandise trade deficit was a record $16.5 billion in January, a sign that imported goods still are displacing domestic production in supplying goods to American businesses and households.

According to Mr. Greenspan, the January deficit was so large that the first-quarter deficit is going to be greater than that of the fourth quarter, even if rising import prices produce an improvement during February and March.

At the same time, American consumers were not yet rushing out to spend any of the new wealth being generated in the stock and bond markets or the capital gains being realized by the wave of home refinancings after the decline in mortgage interest rates.

Overall retail sales fell 0.1 percent in February, after a 0.2-percent decline in January.

Part of the small February decline was due to falling gasoline prices. However, sales in some other sectors, such as automobiles, were also not strong. Despite some continuing low-interest financing incentives, sales of new cars have been running below expected levels for some manufacturers.

"There is nothing in the new data that has come as a surprise," Mr. Greenspan said. "Everything is on track for very modest growth."

"I would expect to see capital appropriations move in the spring," he said. "If that has not happened by July, we would be dealing with something that was quite new. It would mean that balance-sheet problems of businesses made translation of the lower cost of capital into higher capital spending uncertain. It's premature to make that judgment now.

Mr. Gramley of the Mortgage Bankers Association regards the latest statistics as "puzzling" and somewhat unsettling. However, he still expects the gross national product, the nation's total output of goods and services, to increase by about 3.5 percent between the fourth quarter of 1985 and the fourth quarter of this year, after adjustment for inflation.

"I would be worried about conditions getting boomy except for a few developments," said Mr. Gramley, who, as a member of the Federal Reserve Board until last summer, often took a relatively conservative, anti-inflation position on monetary policy.

And because consumer spending has been rising much faster than personal incomes — so that consumer debt has risen sharply — Mr. Gramley expects a dampened spending response to the increased wealth flowing from financial markets and to lower interest rates on personal loans and other consumer credit.

He now forecasts that output will rise at about a 3-percent rate in the first half of 1986 and about 4 percent in the second half.

"But I have to tell you," he said after digesting last week's numbers, "this is a weaker set of nonfinancial statistics than I had expected."

Or as Mr. Angell put it, "What I am suggesting is that there are reasonable grounds for doubt that our economy is going to launch out of this 2- to 2.5-percent growth path into a 4- to 4.5-, 5-percent growth path."

Bond Market Response Disappoints

(Continued from Page 9)

in long-term yields, but rather professionals looking to buy large blocks of bonds, which they expect to trade at a profit if interest rates continue to decline.

In the Deutsche mark sector, the 6-percent coupon barrier was broken with Amsterdam Rotterdam Bank issuing at a discount of 99½ 200 million DM of eight-year bonds bearing a coupon of 5¾ percent. This was topped by the European Investment Bank, which sold 300 million DM of 10-year bonds at a discount of 99¾ bearing a coupon of 5⅝ percent.

The market for European currency units also registered a sharp rise in prices and drop in rates as fears of an impending currency realignment abated. With inflation sharply cut in all component countries, analysts now expect there will either be no or very little realignment after this weekend's legislative election in France.

The European Coal and Steel Community issued 30 million units of 10-year bonds at par bearing a coupon of 7⅝ percent, while Colgate Palmolive sold 75 million units of five-year notes at the same rate. The difference was that Colgate set an issue price of 101½ on notes carrying a coupon of 8 percent, terms pitched to appeal to portfolio managers looking to maximize reported income.

The Euroyen market was active. The currency continued to appreciate against the dollar last week and that fueled big demand for bonds, which resulted in a cut in rates below 6 percent. Four issues were launched Friday with IBM Credit setting a coupon low of 5¾ percent on five-year notes issued at 101½, a touch lower than Finland's 5¾ percent notes issued at 101⅜.

American Express Overseas Finance paid a coupon of 5⅞ percent with an issue price of 101. In the 10-year market, Atlantic Richfield Co. set a coupon of 6⅛ percent with an offering price of 100⅞.

The Federal National Mortgage Association and Sumitomo Metal tapped the market using the so-called hell-or-heaven formula, setting repayment of principal in dollars at fixed exchange rates of 171 and 173.25 yen, respectively. If the exchange rate at maturity is less than that, it will be heaven for investors who will have made a big profit. If it's higher, investors will have lost.

This week should see a new formula of mini-max, protecting currency speculators from any loss greater than 30 percent and limiting their potential gains to no more than 100 percent.

Meanwhile, reports from Tokyo suggest that the yen's current appreciation to 177 against the dollar may be short-lived. Bankers report that institutional investors who continue to buy U.S. Treasury bonds are delaying taking the paper on their books until after the April 1 start of the fiscal year.

In the meantime, the purchases are being executed by securities houses using borrowed dollars to buy the bonds. Later, possibly not until after the early May summit of industrialized countries in Tokyo, the domestic institutions will sell the yen needed to buy back the bonds warehoused by the securities houses.

The absence of current yen selling is helping to weaken the value of the dollar in Tokyo, which would conveniently take pressure off Japan during the summit meeting. Once payment is made in yen, pressure to drive up the dollar's value will be increased.

The equity-linked sector of the Eurobond market also recorded a new coupon low last week with BASF's sale of $235 million of 15-year bonds at par bearing a coupon of 3 percent. The paper ended the week trading at 110 thanks to the warrants to buy the company's stock. Two warrants give holders the right to buy the stock at a price of 308 DM each. However, on Friday the shares ended at 324 DM on the Frankfurt Stock Exchange. Thus, in exchange for discounting the stock, the company locked in 15-year money at a record low cost.

An attempt was made to revive the floating-rate market with the offering of high-margin corporate paper. The market has been hurt by low margins and the flat yield curve. Chrysler Corp. set a margin of ¾-point over the London interbank offered rate and Unocal Corp. ½-point over. These look juicy compared to the no- or low-margin FRNs paid by banks and sovereign borrowers, the traditional issuers of such paper.

But the Chrysler notes are junior subordinated securities, rated triple-B-minus because of the subordination.

Turkey Devalues Lira 5%, Tightens Exchange Controls

Compiled by Our Staff From Dispatches

ANKARA — Turkey has effectively devalued the lira by around 5 percent and extended foreign-exchange controls to end a week of turmoil on foreign currency markets.

The central bank said Friday night that commercial banks would have to buy and sell foreign currency to customers only at rates within 1 percent of the levels it sets daily. It had freed them from such restrictions last July as part of a plan to achieve full convertibility for the currency.

The bank set its new buying rate for the U.S. dollar at 645 liras, a devaluation of 4.97 percent from 612.95 on Friday. Against other currencies, the value was reduced by 4.9 percent to 6.8 percent. The British pound rose from 893 to 945, and the Deutsche mark from 266 to 285, the bank said.

For more than two years, the central bank has gradually devalued the currency roughly in line with inflation to maintain the competitiveness of Turkey's exports. The latest devaluation followed a week during which the dollar became almost unobtainable in Istanbul except on the black market at rates much higher than official ones.

Bankers said the lira had been hit by importers building up foreign currency reserves to pay off future debts and by exporters delaying the return of their earnings to Turkey because they expected the lira to slump against the dollar.

Analysts saw the devaluation as a major setback for Prime Minister Turgut Ozal, who has claimed that he had eliminated the country's chronic shortages in hard currency and consumer goods as a result of the monetarist policy he has run since 1980. *(Reuters, AFP)*

BNP INTERBOND FUND

DIVIDEND PAYMENT NOTICE (COUPON No. 2)

As of 20 March coupon No. 2 detached from shares of "BNP INTERBOND FUND" will be payable at the counters of BNP (Luxembourg) SA. Price: US $11,50 per share net.
Shareholders may use the proceeds for reinvestment until April 18, 1986 without payment of the subscription commission and the entrance fee referred to in the prospectus.
Reinvestment will be made at the net asset value price following the trade date. The funds needed to round up to one additional share, may be invested at the same conditions.

BANQUE NATIONALE DE PARIS (Luxembourg) S.A.
(Depositary Bank of BNP INTERBOND FUND)
Financial Agent

This announcement appears as a matter of record only.

We are pleased to announce that the following issue has been rated

AAA

by

Standard & Poor's

U.S. $100,000,000

Republic of Austria Pass-Through Securities Limited

11% Notes due 2000

secured upon, and issued contemporaneously with 100,000 Warrants to acquire U.S. $100,000,000 Republic of Austria 11% Notes due 2000

MORGAN STANLEY INTERNATIONAL

March 17, 1986

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&M Fd			521	12¾	11¼	12¾	+1
ABS	.40	2.5	1026	17½	16	16	—2½
ADC Tl			3411	27¼	25	26¾	+1¾
AEC	.32	2.4	126	13¼	13¼	13¼	+1
AEL			287	15	14½	14¾	+ ¾
AFG			4170	33¾	31½	32½	+ ¼
ALC Cm			3657	9	7¾	8¾	+1¼
ARC Int			1758	5¼	3¾	4¾	+ ⅞
ASK			5879	12½	12⅛	12⅝	— ⅜
AST			20734	19½	17⅝	19	+ ¾
AT&E			1408	16¾	15¾	16¾	+ ¾
ATE			1045	5⅝	5⅛	5½	+ ⅜
AarnRt			113	18	17½	17½	
Abrams	.24	4.4	14	5½	5½	5½	
AcaJoe			2345	7⅛	6⅝	6⅝	— ¼
Acadin	.05r	2.2	13558	2½	2⅛	2⅜	
Aceirin			2046	14¼	13¼	14¼	+ ⅞
AcuRay	.24	.9	1530	26⅝	25⅝	25¾	— ⅞
Aceto	.14r	.7	401	21	20	21	+ ⅞
ACMAT			301	23½	20¼	23	+2½
Activsn			2530	1½	1⅛	1⅞	
Actmd s			633	27¼	25⅝	26⅝	— ⅞
AdacLb			1271	1⅝	1⅝	1½	— ⅛
Adage			509	4⅝	4⅝	4½	— ⅛
AdisnW	.80	2.1	98	39⅞	38½	38½	— ½
Adia	.12	.5	487	26	24½	25⅝	+ ⅛
AdvCir			2259	11	10⅜	10¾	—1⅛
AdCpt			49	4¾	4⅝	4⅝	— ⅛
AdvGen			1457	5½	5	5	
AdvSem			536	13¾	12¾	13¼	+ ¼
AdvTel			4278	11¼	10	10⅞	+ ⅞
Aeautrn			752	5	4¾	4⅞	+ ⅛
Aegon	.36e	.9	206	42½	41⅜	41¾	— ⅜
AerSysl			1537	2⅞	2⅝	2⅝	— ⅛
AfBcp	1.00	6.6	41	16¼	15¼	15¼	— ¼
AfBsh	.80	4.7	1209	16⅞	15⅞	16⅞	+ ⅞
AgcyR s			1571	31¼	30⅜	30⅜	— ⅝
Agnico g	.15		1091	17¼	16⅛	17	
AirCrg s			1147	8½	7½	7⅞	— ⅛
AirMd	.10e	1.2	1507	8¼	7⅛	8¼	+1
AirWisc			1292	15¼	14¼	15¼	+ ⅞
AlaFdl			105	19¾	19¼	19¾	— ⅜
AlskBc	.44e	6.2	561	8⅛	6⅝	7⅛	—1⅛
AlskMt	.25t	1.7	1853	14¾	13⅞	14⅜	+ ⅜
AlskNt			352	10¼	9⅞	10	— ⅜
Alaten	2.20	5.7	118	39½	37½	38½	— ¼
AlcoHlt			1279	22¾	22⅝	22¾	+ ⅞
AlexBr			5318	31	27	30½	+2
AlexB	1.80	3.6	1935	51¼	50	50½	—1
Alfin s			4483	37¾	33¼	34¾	+ ⅜
Algorex			256	7⅝	7	7⅝	— ⅛
Allcoin	.90	1.0	62	92	88½	88½	+ ½
AlegW	.24	1.1	716	22	20½	22	+1½
AllegBv	.40	1.3	6527	30½	26⅞	30	+3¼
AlnOr s	.24a	.6	8	38	38	38	— ⅛
AlldBn	.84	5.0	23599	18⅝	16¼	16¾	— ⅛
AlldCo s	.72	3.9	70	18½	17⅛	18½	+ ¼
AlldRsh			764	6⅛	5⅞	5⅞	— ⅜
AllyGor	.15e	1.7	236	9½	9	9	— ⅜
AlpMic			658	6	5⅝	5⅞	+ ⅛
Altmcr			585	4⅝	4⅛	4⅛	— ½
Altos			3519	17⅛	15⅝	16⅛	+ ¼
Altron			715	11¼	10	11	+ ⅝
Amcast	.44	3.2	488	15½	13¾	13¾	—1¼
Amcale			624	8⅝	8	8½	+ ¼
AFFIM	3.62e	17.8	992	21	19⅞	20⅜	— ⅜
AWAIrl			11491	12½	11	11½	— ⅜
AmAdv			1796	1⅜	1⅛	1⅜	
ABusp			158	6¼	5¾	5⅝	— ¼
AmBkCt	1.20	3.9	29	33	31	31	—2
ABnkr	.50	3.0	6036	16¾	15⅛	16½	+ ⅜
ABrk g s			2452	7	6½	7	+ ⅛
AmCarr			1762	16⅞	15⅝	16¼	+ ½
AmCity			96	23¼	22½	22½	— ⅜
AConti			1422	14¼	13⅞	13⅞	— ⅞
AmEcol			831	46¾	43¼	43¼	
AExpl			181	2¾	2⅜	2½	+ ⅛
AFdSL	.60	3.2	637	21	18½	18½	—2
AFltrn	1.40	4.3	14	32½	31	32½	
AmFrst			376	6¼	5¾	6	— ⅛
AFletc s	.80	2.1	1549	37½	37⅛	37½	
AFurn	.28	2.1	775	13⅜	11⅞	13⅜	+1⅜
AGreet	.46	1.9	9124	36½	34½	35¼	+ ¾
AmInLf	.40	2.9	5104	14¼	13⅛	13⅞	— ⅜
AIndF	1.12	5.0	247	23¼	22¼	22½	— ¾
AInsMt	1.33e	7.2	360	19⅞	18⅛	18½	— ⅛
AInteg s			2699	24½	23¼	24	+ ⅛
AInvLf	.20b	2.6	314	8	6⅞	7⅝	+ ⅝
ALand			50	7	5⅞	5⅞	— ⅛
ALnd wt			51	1¼	1	1¼	+ ⅛
AmList			50	15¼	14¾	15¼	+ ¼
AmLck	.21e	1.9	45	11¼	10⅞	11	+ ¼
AMagnt			233	6⅞	5⅝	5⅞	+ ⅛
AMS s			1152	34¾	30¼	34	+4
AMdSv s			1465	15⅝	14¾	15½	+ ⅝
AMidl			1095	⅝	½	½	
ANtHd	1.24	3.2	51	39½	38¼	38¼	
ANtIns	1.20	3.1	1671	38½	35⅞	38¼	+2⅞
APhyG			1623	4⅞	4⅛	4⅞	+ ⅝
AmPion			341	9½	9	9	— ⅛
AmRest			497	2⅞	2⅜	2⅝	+ ⅛
ASavNY			4857	24⅝	23½	23⅞	+ ⅛
ASavWA			953	18⅛	16⅝	16⅝	— ⅝
AmSec	1.02	2.9	363	35	34½	34¾	— ¼
AmSft s			3881	10½	9	10⅛	+1⅜
ASolar			2018	1⅝	1⅛	1⅛	+ ⅛
ASurg			825	⅜	⅝	⅝	
ATechC			639	9⅜	8⅛	8⅛	
AWstCp			253	12½	12	12½	+ ¼
Amrtr s	1.60	3.6	3360	43⅞	42	43⅝	+2
Amrwst			498	22⅛	21½	22¼	+ ¾
Amgen			4223	15⅝	14	15½	+1⅜
Amistar			327	8⅛	7⅝	8	— ½
AmskB s			2843	24½	22⅝	23½	— ⅜
Amosk	1.20a	1.8	136	77	67	68	
Ampad	.40	1.8	1196	22⅝	20½	22	+1¼
Anadite			318	7	6⅞	6⅞	— ⅛
Analgic			8588	14¼	13⅜	14¼	+ ⅜
AnalyTc			397	10⅝	10	10⅛	+ ⅛
Analyl			1301	7	5¼	7	+1½
Anaren			750	11	10¼	10⅞	— ⅛
AndrGr			217	11½	10¼	10¾	— ⅛
Andovr			1125	17	11	11¼	+ ⅜
Andrew			2435	22½	21	21¾	— ⅞
Andros			1580	9⅛	8⅞	9	
Anlmed s			3805	7¾	6⅞	7	+ ¼
Anltec	.20e	.8	2453	25⅞	23⅝	24⅜	+1⅛
Apogee	.14	1.0	2638	14⅛	13½	14¼	+ ½
ApoloC			21893	16½	14¾	15½	+ ⅝
ApplBk			4402	26½	24⅞	25⅛	+ ⅜
AppleC			34154	26¾	24¼	26⅛	+1⅜
AplBlo s			2291	32⅝	31	32½	+ ⅜
ApldCm			2909	17	15⅛	17	+ ½
ApldDt			47	4¼	3¾	4	— ¼
AoldMt			4602	29⅝	26⅜	29½	+2
ApldSlr			363	13⅝	12	13⅛	
ArabSh			151	4½	3	4⅛	+1⅛
Archive			960	8⅜	8⅛	8⅝	
ArgoSy			4409	21½	20¼	21⅞	+1
ArizB	.80b	1.9	697	42	41⅛	41⅜	+ ⅛
ArkRst			351	10½	9¼	10⅛	— ⅛
Arnold	.60	1.1	83	55½	47½	55	+4½
ArowB s	1.92	3.0	8	71	65	65	

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
Artel			541	5	4½	4⅝	
Ashton			15779	23¾	19¾	23⅜	+2¼
AsdBc s	.44	2.3	164	19¾	18¾	19	+ ⅜
AsCmA			459	44½	42	42¼	— ⅜
AsCmB			90	43	40½	41⅜	— ⅜
AssdCo	.10e	1.5	11	6⅞	6⅞	6⅞	
AsdHsl	.12	1.4	1277	8½	7⅜	8⅜	+ ⅞
AstraM			646	13¼	12⅜	12⅝	— ⅜
Astrcm			257	4	3⅝	3⅝	— ⅜
Astron s			102	10	9¼	10	+ ½
Astrosy			1354	8⅛	8	8	— ⅝
Atcor	.48	1.9	6286	26¼	25	25⅞	+ ⅞
AthnF s			205	23	22½	22¾	
Athey s	1.52t	8.6	274	17¾	17	17¾	+ ½
AllcoF	.10e	.6	365	17¾	15¾	17¾	+1¼
Atkinsn			1411	19¼	18⅝	19	
AtlGsLt	2.80	7.0	1283	40¾	39½	40	+ ½
AllAm s	.24	1.7	431	14⅛	14	14½	+ ½
AtlnFd			729	14¾	13⅝	14⅝	+ ⅝
AtlFin	.05e	.3	4692	18⅝	17⅛	17⅜	— ¾
AtlF pf	1.05	7.0	1216	15⅞	15	15	— ⅜
AtlPr h			125	9⅞	9½	9⅞	— ¼
AtlRes s			2271	27½	26	27¼	+1
AtlSeAr			28352	12¼	11¼	12	— ⅛
AudVd s			3352	24¼	22⅞	24¼	+1¼
Austron			144	3⅞	3⅜	3½	
AtwdOc			198	14¼	13⅜	14	
AutTrT			354	5⅞	5⅜	5⅞	
Autoclv	.16	1.8	74	8⅞	8½	8¾	+ ¼
Autodsk			2397	28	26	27½	+1½
AutMed			650	4¾	4⅛	4¼	— ½
AutoSy			166	10	8½	9	— ⅛
Autmix			7580	5½	4	5¼	+1¼
AutoCp			348	9½	8	9	+1
Auxton			1549	11	10⅛	10⅞	— ⅜
Avacre			2053	14¾	13	14½	+1¼
AvntGr			729	5¼	4⅝	5	
Avntek			11545	20¾	19⅛	20⅜	+1½
Avalar			1195	24⅝	20¾	24⅛	+3¾
AztcM	.20	7.3	941	2⅝	2¾	2¾	
B							
BBDO	1.20	2.0	3674	60¾	59⅝	60⅛	+ ⅜
BGS			374	11¼	9	10¼	— ⅜
BIW Cb	.10	1.1	393	9½	8⅞	9¼	+ ⅛
BNH Bnc			15	36	32¼	32¼	—2¾
BPI Sy			1831	3⅝	3	3¼	+ ⅛
BRCom			545	9⅝	9⅛	9¼	
BR Intec			354	19½	18¾	18½	— ⅜
BT Fncl	1.36	3.4	17	39½	39	39½	— ⅛
BTR	.10t	.7	109	13½	10½	13½	+2
BalraC			676	10⅝	9¼	10⅛	+ ⅜
BakrFn	1.00a	2.1	408	48¼	47	48¾	+ ⅜
BaldLy	.80	1.0	6	84	83	84	—1
BALTEK	.10e	.9	937	10⅞	9⅞	10⅝	+ ⅛
BalBcp	.42e	1.0	1030	43	40⅜	40⅝	—2⅛
BnPnc s	1.00	3.0	791	33½	32½	33⅞	+1⅛
BnPop s	1.12a	3.2	884	35½	34⅜	35¼	+1
Bancokl	.40	3.6	454	11½	11⅛	11¼	— ⅛
BcpHw	1.36	3.2	241	43½	42½	42½	—1
Banctec			1743	10⅝	8⅞	10	+1⅛
BangH	.30	6.2	1239	13	11¾	12⅞	+ ⅞
BnkDel	1.32	3.6	89	39	37	37	—2⅝
BkGrn s	.44	1.3	150	33¼	31	33¼	+ ⅜
BKNE s	2.00	3.0	2434	66⅝	65⅜	66¼	+ ½
BkSou s	.64	2.2	776	29	28⅝	29	+ ⅛
Bnkest	.68	2.7	906	25⅝	22⅝	25½	+2⅞
BnkFst			382	18½	18	18	— ½
Bklowa	1.56	2.7	160	58	55⅝	57½	+1½
BkMAm	1.00	12.5	392	8½	7⅞	8	— ⅛
Bankvt			2179	29⅝	28½	28½	— ⅜
Banto s	.40	1.7	6008	23	22½	23	
Barden	1.00	3.4	62	30½	29	29½	+1½
BaronD			254	11¾	11¼	11¼	— ⅛
Barris s			3826	21¼	19⅞	19⅞	—1⅛
Baristor			361	19¼	18½	18¾	— ¼
Barton			224	1⅝	1⅛	1⅜	— ⅛
BsTnA			1077	13	12	12	
BasAm	1.04t	10.9	375	9⅞	9½	9½	— ¼
BsRInt s			1041	⅞	¾	¾	
BsetF	.80a	1.6	1731	48¼	42½	48½	+5¾
BatfMt	.07e	.5	10136	13⅝	12⅛	13	+ ½
BayPac			2734	7⅞	6⅞	7	— ⅜
BayBks	2.40a	3.0	1005	80¼	75¼	79½	+4¼
Bayly	.12	1.3	141	9⅝	8	9	+1
Beebas			475	21½	20¼	21¼	+1
Begley	.72	3.3	20	22½	21⅝	22	+ ⅜
BIFuse s			893	7⅛	6	7	+ ⅝
BellW	.10	1.3	184	8¼	7⅝	8	+ ¼
BenJer			538	14⅝	12⅝	14½	+1
BnchCf			1278	13⅝	12⅝	13⅝	+ ⅝
Benhan			3179	9⅝	8⅝	9¼	+ ⅜
Bercor			346	9⅝	8½	9¼	+ ⅛
Berkley	.32	.6	10469	50¾	40¼	50	+8⅞
Berkine	.50	3.2	210	16½	14½	15¾	+1¼
BerkGs	2.12	7.4	53	29½	27	28⅝	
BerkHa			1250	970	970	200	+10
BestBy			255	34	33	34	— ½
BetzLb	1.32	3.2	3297	41¾	40⅛	41	+ ½
Blg B			1121	14⅛	12⅝	13¾	+ ¾
BlgBear			1502	17⅝	17	17⅛	+ ⅛
Bindly s			4028	12	11⅛	11⅝	+ ⅜
BingSv			840	20¼	19⅝	19⅝	— ¼
BioLog s			1096	14⅛	12⅝	13⅛	+ ⅛
BioRes			1268	6⅛	5⅝	5⅝	— ½
Biogen			7046	15½	12⅝	13¾	+1⅛
Biomet			499	26	24¼	24¼	— ½
Biosrc			458	2⅜	2⅛	2⅛	— ¼
BiotcR			550	7½	6¾	7	— ¼
Birdinc			3377	11	9¼	10¼	+ ⅝
Birdind			2600	3⅞	3	3⅝	+ ½
Birdvw			5115	1⅛	1	1⅛	— ⅛
BirStt			1528	17¾	17⅛	19⅞	+1⅝
Birtchr			150	5	4¾	5	
BishGr			180	4⅛	3⅞	4⅛	+ ⅛
Blackl	.30e	1.5	361	21	17	20½	+1½
Blasius			175	5½	4⅝	5½	+1
BlocD s	.50b	2.0	693	25½	24¼	24¾	— ½
BRdg un			1	15	15	15	+1
BoatBn	1.65	3.8	4383	44	41⅞	44	+2⅞
BobEv	.30b	1.4	1639	22	20⅞	22	+ ⅝
Bohema			2745	18⅛	16⅛	17	+ ¾
BoltTc	.16	3.9	388	4⅛	3⅞	4⅛	+ ⅛
BooleB			411	6½	6	6	— ¼
BoonEl	.65t	14.1	60	4⅝	4⅝	4⅝	— ½
Boothin			469	5⅝	5	5⅝	+ ⅛
BothF	.30	1.6	372	19¼	17½	18⅞	+1
BostBc	1.00	2.9	1503	35⅝	34	35	+1
BstnDig			159	4¼	4	4	
BsinFC	.60	1.5	1265	40½	38⅛	39	— ½
BradRE	.80	6.0	109	13¾	13	13⅜	+ ⅜
BradyW	.20	.5	495	39⅜	37⅝	38½	+ ½
BraeCo			374	11⅞	11⅛	11⅞	
Branch	1.24	3.2	334	38¼	37⅝	38¼	+ ¼
Brndin			5339	8⅞	8	8½	+4⅜
Brenco	.12	2.0	1641	6⅛	5⅝	6⅛	+ ⅜
Brntwd			1005	8	7⅝	7⅝	+ ⅛
BdgCm			8687	13¼	12¼	13	+ ¼
BrdgFd	.03c	.7	10	4½	4½	4½	— ¼
BrltLee			993	9	8¼	8¾	
BrwnRb			765	13⅝	12⅞	13	
BrwTom			7374	⅝	½	⅝	+ ⅛
Bruno s	.16	1.0	6676	16⅝	15⅜	16⅝	+ ¾
Buffton			338	5¾	4⅝	5⅛	+ ¼
BuildT s			941	33¾	30⅛	32¾	+1½
BullBr s			227	14	12⅝	13	— ⅛
Brnhm	.24	1.4	419	17½	17	17	— ¼
BurnpS			2179	8½	7⅝	8⅛	+ ⅜
BurrB s			2093	19½	18⅛	19½	+ ¾
Burrlt			359	31½	29½	30⅛	+ ⅜
BMA s	1.10	3.5	1841	32	30	31⅛	+1⅛
Businld			11534	8⅞	8¼	8⅝	+ ⅛
ButlrJ	.12a	.5	45	22	21	22	+ ¼
ButlrMf	1.32	4.4	132	30	29¾	30	+ ⅜
ButlrNt			523	1⅞	1⅝	1⅝	— ⅛
C							
CCB s	1.12	2.5	94	44¾	43½	44⅝	+1
C COR			167	6¼	6	6	— ¼
CP Rhb			1250	4⅝	4⅛	4¼	— ⅜
CBT B s	.48	1.6	224	31	27	30	+1
CCNB	1.08a	2.1	25	51¾	49½	51⅝	+1⅝
CCX Nt			120	25	24½	24½	— ½
CEL			490	6¼	5⅝	6	— ⅛
CFI St			297	6⅝	6	6⅝	+ ⅛
CFS			7092	21	19¼	20	— ⅜
CML			789	14¼	13	14¼	+1⅛
COMB			2849	19⅝	16⅝	19⅝	+2¼
CPI	.10e	.4	1778	27	25½	27	+1½
CPT			3192	6⅛	5⅝	6	+ ⅜
CSP			1649	12¼	11¼	12⅛	
CVBFn s			5	10½	10½	10½	
CablTV			64	3⅝	3⅜	3⅝	
Coche			2673	⅞	⅞	⅞	
CACI			1765	2⅞	2½	2⅞	+ ¼
CbrySc	.93e	3.4	7754	27¾	25	27⅝	+2
Cdmus s			495	23½	22	22½	+ ½
Cadntx			5871	9¼	8½	8⅝	— ⅜
CalAmp			821	⅞	¾	⅞	
CalBio			1090	16½	15¼	16½	+1
CalFst	1.08	3.6	1080	31¼	30⅛	30¼	— ½
CalJky	1.25e	2.5	46	53	50	50	—2¼
CalMic			2694	9⅝	9⅛	9½	
CalSlv g			397	3⅛	3⅛	3⅜	— ⅛
CalWtr s	2.80	5.9	118	49	47	47½	— ½
CallonP			908	1⅝	1	1⅛	+ ⅛
Calny	.16	1.1	936	14⅞	13¾	14	—1
Calumt	.28	3.6	232	7⅞	7⅜	7⅞	+ ¼
CanlR	4.00c		3	5⅛	5⅛	5⅛	
CanonG			10346	36½	30⅜	36	+5⅝
Canonl	.26e	.9	710	28⅝	27⅜	28⅛	— ⅜
Canrad			75	11	10½	10⅝	
CCBT	1.60	2.7	26	59½	58½	59½	
CapltFd			674	14½	12⅝	13⅝	—1⅛
CapSwt	.16e	.8	101	19¾	19	19½	+ ⅜
CapBc s	1.04a	2.5	404	42	40½	41⅛	+ ⅜
CapFSL	.20e	2.0	2274	10⅝	9⅝	10⅛	+ ⅛
CapTm	.37e	4.4	55	8½	7⅝	8½	+ ½
CarCrb			513	1	⅞	⅞	— ⅛
CrdnlD	.08b	.4	385	22¼	21⅝	22½	
CareerC	.08t	1.1	3514	7⅛	6⅞	7	+ ¼
Caremk			6634	17¾	16¼	16⅞	
Cargeln			3780	11⅛	10⅜	11⅛	+1⅛
Cartert			2238	22⅝	21⅝	22	— ⅜
Cascde	1.40a	2.3	23	63	61½	62	+ ½
Casey s			1387	20⅞	20	20¼	— ⅛
Cellyst	2.42t	16.7	1287	15⅛	11⅜	14½	+2½
Cencor s			1069	17¾	16⅛	17⅛	+ ½
CntrBc	1.80	4.3	985	42	40½	41½	— ⅜
Centcor			3381	29½	26¾	29⅝	+2⅝
Centfm			1450	20	18	19⅛	+1
CenBc s	1.50	3.1	399	48⅝	48	48	— ½
CBshS s	.88	3.6	546	24½	24	24⅛	— ⅛
CFdBk s	.84	2.9	551	29⅝	28	29⅛	+ ¾
CJerB	1.40	3.7	171	38¼	38	38⅛	— ⅛
CPaSv s	.40	1.9	392	22	20¼	21¼	+ ¼
CRsLf s			1280	12¾	11¼	12¾	+ ⅞
CSprnk			172	26½	24½	25	— ½
CWisB s			42	18	17	17	
Centrst	.45e	4.6	2895	10	9⅛	9⅞	— ⅛
Centuri			3513	2⅛	2	2	— ⅛
CntryP	.07r	.8	35	10⅛	10½	10⅝	+ ¼
Cerdyn			9738	18	14⅜	15⅛	—1⅞
CerbrA	.12	.9	538	14½	13½	13⅝	— ½
Cermtk			226	2⅞	2⅜	2⅜	+ ⅛
CertCl s			554	15⅝	15¼	15⅝	+ ⅜
Cetus			19259	29⅝	26	28	+2
Chalint	.20e	3.8	671	6⅛	4½	5⅜	—1⅛
ChmpPt			33	5⅞	5⅝	5⅝	— ⅛
ChncCo			1704	12½	11⅛	12	+ ⅞
Chapral			414	⅝	½	⅝	
ChapEn			1058	2⅝	2⅝	2⅝	
Chargit			63	10½	10	10	— ¼
CharCh			260	9½	8⅞	9⅛	+ ⅜
CharmS			8570	36⅝	31⅞	35⅝	+3½
ChrtFdl			297	29	27⅜	27¾	—1⅛
Charvz s			98	9½	8⅛	8½	—1
ChathM	.80a	3.0	69	28	26	27	
Chattm	.54	2.5	36	23	22¼	22¼	— ½
ChkPnt			2905	23	20⅞	22¾	+1¾
ChkTch			677	7⅛	6⅝	6⅝	— ⅛
ChLwn	.40	1.4	6477	28⅝	27⅝	28½	+1
Chemex			2516	7⅝	6	7⅝	+ ⅝
ChFab			321	4¼	3⅞	4	— ⅛
Cheroke			769	30½	29	30¼	+1¼
ChryE	.12	.9	61	13⅞	12⅜	12⅜	— ⅜
ChesUt	1.70	6.3	65	27	26½	27	+ ½
ChiChl			24249	10⅞	9⅞	10⅝	— ¼
ChPac s			3848	30	26½	30	+3¼
ChlAut s			1376	19½	18¼	19½	
ChldWld			864	14¾	14	14	— ½
Chills			5132	19⅝	18⅛	19⅛	+ ⅛
Chiron			14057	18⅛	15	18¼	+3¼
Chitend	1.08	2.8	103	39	38	38¼	
Chronr			1393	13⅝	12⅜	12⅞	— ⅜
ChrDw s			2442	15¼	14	15	
CinnF s	1.32	1.9	607	69	66⅜	68⅝	+2⅝
CinMic s			4896	13⅝	11½	12⅛	—1⅛
Cintas	.15e	.3	1260	52	50½	51⅝	+ ⅜
Cipher			4032	18	17	17½	+1
Ciprico			407	6⅞	5⅞	6⅛	— ⅛
Circadn			718	14	13⅝	13⅞	+ ⅜
CircEx			480	16½	15¾	16½	+1⅛
Circon			1788	9⅝	8⅛	9⅛	+1
CtzSou	1.20	2.2	451	54⅞	54½	54½	
CtzSGa	.88	3.4	12773	25⅝	24⅞	25⅝	+ ½
CtzBk	1.40	3.5	249	39½	39	39⅞	+ ⅞
CtzCabl			657	14⅝	14⅝	14⅝	+ ⅛
CtzFld s	.80	2.7	5946	30⅛	28⅞	29⅝	—1
CtzFGp	.46e	1.0	3211	44⅞	41⅝	44¼	+ ⅜
CtzGtP	.48	3.3	30	14¾	14½	14½	
CtzSF s			38	18½	17⅞	18	+ ⅛
CtzUt A			685	40⅝	40¼	40⅜	+ ⅛
CtzUt B	2.16	5.3	150	41	40½	41	+ ½
CityFed	.40	3.0	11021	14	13⅛	13⅜	— ⅜
CtyF pf	2.20	7.1	1412	32	30¾	31	— ½
CtFd plB	2.10	7.9	393	27	26	26⅝	
CtFd plC			1009	3⅝	3¼	3⅜	+ ¼
ClvlnLT			9681	5⅝	4⅝	5	+ ⅜
CtyNCo	.88b	2.3	1049	39⅛	38⅛	38¼	— ⅞
CityBcp	1.12	2.0	193	56½	52½	56	+2½
ClarkJ	.88	3.3	93	27	26	26½	+ ⅜
ClaslcC			620	4¼	3½	4¼	+ ⅜
ClearCh			297	19⅝	18	19¾	+1⅛
ClevlRt	2.00	11.3	381	18	17½	17¾	
Clthrn s			3418	34⅝	28¼	34½	+6
CoOper			2201	25½	22⅞	23¼	— ⅜
CoastF			717	18¼	17½	17¾	— ⅜
CoastR			135	9⅝	8⅝	9⅛	+1
CstSL			11030	17½	14⅝	16⅝	— ⅜
CstlSav	.05e	.2	446	30¼	28	28	—1½
CoatSt			1313	6⅝	5⅝	6½	+ ⅜
Cobanc	.40	4.0	140	10¼	10	10	— ¼
CobRsc			60	2⅝	2⅝	2⅝	
CobeL s			1348	21¼	18¼	19½	+1
CocaBtl	.56e	1.0	3807	58	54	56½	+2
CochrF	.12	1.0	32	12¼	11½	12	— ¼
Cedenol			573	15⅝	14½	15¼	+ ⅛
Codnl wt			334	4¾	4⅝	4⅝	

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP)—The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AARP Invst:		
CapGr	22.06	NL
GinlM	16.03	NL
GenBd	16.00	NL
GthInc	21.41	NL
TxFBd	16.31	NL
TxFSh	15.52	NL
ABT Midwest:		
Emrg	18.35	20.05
GthInc	13.20	14.43
IntGv	10.72	NL
LG Gvt	10.94	11.40
SecInc	11.40	12.46
UtilInc	14.90	16.28
ADTEK	11.93	NL
Acorn F	40.17	NL
Afuture	14.68	NL
AIM Funds:		
CvYld	13.57	14.51
Grnwy	10.53	11.26
HiYld	10.17	10.88
Sumit	7.10	
AMEV Funds:		
Capitl	13.28	14.51
Grwth	15.98	17.46
Specl	24.05	NL
US Gvt	10.31	10.80
Advest Advant:		
Govt	10.11	NL
Gwth	10.58	NL
Inco	10.26	NL
Speci	10.38	NL
Alliance Cap:		
Chem	9.09	9.93
Govt	9.33	9.97
HiYld	10.29	10.89
Intl	19.57	21.39
Mortg	9.81	10.28
Survey	16.00	17.49
Tech	23.07	25.21
Alpha F	22.90	25.03
Amer Capital:		
Corp	7.54	8.24
Cmstk	16.69	18.24
Entrp	16.37	17.89
Exch	55.41	
Fd Am	12.54	13.70
GvSec	12.00	12.87
Grow	21.10	
Harbr	14.75	16.12
Hi Yld	10.73	11.51
Mun B	21.60	22.68
OTC	11.61	12.69
Pace	24.57	26.85
Provid	5.18	5.50
TxE HY	12.51	13.13
Ventr	16.09	17.58
American Funds:		
A Bal	11.54	12.61
Amco	9.87	10.79
A Mutl	18.63	20.36
Bond	14.71	16.08
Eupac	21.69	23.70
Fd Inv	14.64	16.00
Govt	14.90	15.64
Grwth	16.51	18.04
Incom	12.61	13.78
ICA	13.55	14.81
NEco	20.43	22.33
N Pers	10.06	10.99
TaxE	11.37	11.94
Wsh Mt	12.53	13.69
A GthFd	9.30	10.16
A Herltg	2.58	NL
A Invest	8.16	NL
A Inv In	9.82	NL
AmMed	46.11	NL
A NlGth	5.22	5.70
A NlInc	21.35	23.33
Amway	7.79	8.33
Analyt	154.32	NL
Amsing	8.51	NL
Axe Houghton:		
Fnd B	12.80	13.91
Incom	5.52	6.00
Stock	10.32	11.28
Babson Group:		
Bond	1.67	NL
Enterp	13.88	NL
Gwth	14.28	NL
TaxFr	9.72	NL
UMB St	13.84	NL
UMB B	11.06	NL
Value	14.62	NL
BLC Funds:		
CapAc	19.33	21.12
Govt	11.18	11.75
Gwth	20.78	22.71
BartBV	13.92	NL
Beac Hill	24.92	NL
Benham Capitol:		
CalTFL	11.12	NL
CalTFI	10.51	NL
CapNT	11.74	NL
GNMA	10.38	NL
Berger Group:		
100	20.11	NL
101	17.56	NL
Boston Co:		

(Continued on Page 13)

Mellon's Strategy Brings High Costs, Hard Times

(Continued from Page 9)

Francisco added: "We are not recommending Mellon. Profitability is vulnerable."

Although it is by no means a troubled bank — it is the 11th-largest U.S. banking company with $33.4 billion in assets, it dominates Pittsburgh banking, and its balance sheet is basically strong — Mellon has fallen from grace. It risks losing its prestige and influence in American banking, where image and reputation are critical in attracting quality customers.

But Mellon officials and even competitors say the game is not over.

"We've spent a lot to invest in the future; the costs are now behind us — we hope," said Mr. Barnes, 56. He argued that the downturn was the result of high costs in absorbing Girard and other acquisitions, as well as the expenses of moving into a new headquarters building.

He contended that other banks involved in large mergers eventually would have to absorb similar costs and that Mellon decided to take them sooner rather than later. That allowed Mellon to put the major expenses behind it, and to have all the systems in position so that it could more easily and less expensively integrate any further acquisitions.

This year, he insists, will prove him right.

Officials at Mellon acknowledge that Girard, with $4.8 billion in assets and $2.7 billion in deposits at the time of the merger, was not Mellon's first choice for an acquisition. Philadelphia National Bank was, but Mellon officials feared the federal government would have barred the merger of Pittsburgh's largest bank with its counterpart in Philadelphia.

Stymied in its favored plan, Mr. Barnes indicated that the bank had little choice but to buy Girard — the other options in Philadelphia being too small or too troubled.

Mr. Barnes, who became chairman in 1981, was driven to merge with another bank because he feared that Mellon's heavy dependence on deposits from large national companies and institutional investors could make it vulnerable to a run, creating a major liquidity problem for the bank.

'Mellon is not the bank it used to be.'

— Nancy A. Bush, Butcher & Singer

Although he did not plan to abandon institutional clients, he wanted to broaden the bank's base of consumer deposits, which are government-insured and pose no liquidity threat, and he wanted Mellon to grow geographically, particularly in the lucrative mid-Atlantic area. He believed it would be easier — and less expensive — to do that through a merger.

Girard, with its strong retail position in Philadelphia, offered that opportunity, and so too did the other Pennsylvania banks that Mr. Barnes acquired just after the Girard merger: CCB Bancorp, Northwest Pennsylvania Corp., Citizens National Bank, Commonwealth National Bank, First National Bank of Mapleton.

The five smaller banks, acquired between September 1983 and last November, added $2.8 billion in assets and $2 billion in deposits. As a result of the acquisitions, the proportion of funds purchased from large depositors dropped to 35.8 percent last year, from 54.4 percent in 1981.

The reviews have not lived up to the intentions.

"Girard is a source of Mellon's earnings problems," said Kenneth F. Puglisi, an analyst with Keefe Bruyette & Woods, a New York securities firm, who once worked at Mellon.

Ann Treimann, an analyst with McDonald & Co. Securities of Cleveland, added that the acquisition of Girard was "a textbook case of a bad merger," particularly because of its problems in merging two entirely different corporate cultures grounded in two very different cities and a heavily criticized decision to change Girard's name, to Mellon Bank East.

Mr. Barnes, a banker's son from tiny Oil City, Pennsylvania, believed that Girard was Mellon's first big chance to break its commercial banking business out of the stagnant Pittsburgh market, and to expand into Philadelphia and the nearby, fast-growing mid-Atlantic region. Because of federal and state banking laws, Mellon had been locked into the Pittsburgh area. It was not until 1982 that Pennsylvania allowed statewide banking.

Another part of Mr. Barnes's strategy is to bring the bank into closer contact with customers. Over the decades, Mellon had come to expect its customers to seek it out rather than the other way around.

Now, Mr. Barnes is trying to make the bank more like the institution run by Andrew Mellon. Girard catered closely to small and medium-sized companies as Andrew Mellon did years ago, and that was one of its attractions.

Girard employees saw things differently.

"They don't understand small business," said Peyton Biddle Jr., who joined Girard four years ago and left recently. "They took the same criteria in judging a small company as they did toward AT&T. Lots of companies didn't like that and went elsewhere."

Problems surfaced almost immediately after Mellon's announcement in mid-1982 that it would buy Girard. Problem loans began to soar at Girard later that year. In 1982, Girard charged off $35.4 million, up from $15.3 million in 1981. And in 1982, problem loans surged to $180.7 million, from only $70.2 million in 1981.

Many analysts contend that Mellon was surprised by what it found, particularly by the problem loans. But Mellon officials deny that. They say they knew what they were getting, which is why they were able to buy Girard for 25 percent less than the book value of its assets.

'We've spent a lot to invest in the future; the costs are now behind us — we hope.'

— J. David Barnes, Mellon Bank chairman

"Mellon acquired a situation that wasn't in great shape," said Mark Biderman, an analyst with Oppenheimer & Co. "If Mellon knew, it shouldn't have bought it. If it didn't know, it had time to find out. In cleaning it up, it lost the franchise."

Mr. Barnes denies that the bank was ruthless in dealing with Girard employees and says Mellon's strategy was correct. "We bent over backwards to be fair," he said, "but we misunderstood the psychology of Philadelphia."

And he is not without supporters.

"I think they did the right thing," says Raymond J. Dempsey, chairman of European American Bank in New York and a former chairman of Philadelphia's Fidelity Bank.

But, clearly, the Girard acquisition was rife with trouble. The cultures of the two banks were totally different. Although Girard had a conservative reputation, Mellon was far more conservative and had an entirely different customer base. Girard was more heavily geared to consumers and small businesses, although it had a slew of bad foreign loans.

Analysts said that after Mellon bought Girard and studied its problems closely, it forced Girard to adopt Mellon's more conservative accounting methods and its more formal and disciplined management style. Few officers were fired outright, but scores of Girard officers are reported to have left the bank within two years after the takeover. Mellon could not provide a number.

'Mellon acquired a situation that wasn't in great shape.'

— Mark Biderman, Oppenheimer & Co.

Three years after the merger, the problems have not abated. Last year, Girard earned no money. As a result, most of Mellon Bank Corp.'s earnings last year came from the original Mellon Bank, which Mr. Barnes describes as the "crown jewel."

But even its earnings were inflated by huge gains from sales of government securities from its investment portfolio, which accounted for about $50 million after tax, or almost a third of the bank's net income of $161 million. These securities gains enabled the holding company to report a 27-percent increase in net income, to $201.7 million, from the extraordinarily low earnings of $148.8 million in 1984, resulting from loan losses at Girard and the costs of integrating the acquisitions.

For its part, Mellon admits that it cannot expect to repeat last year's huge securities gains. But it denies that it was betting the bank, contending that its exposure to loss was always carefully monitored.

Income before securities transactions, however, in 1985 amounted to $151.7 million, below 1984's $156.6 million. If those earnings are viewed in terms of the banks total assets, Mellon's profitability has dropped sharply since acquiring Girard.

Mellon's primary capital, a gauge of a bank's basic financial strength, has long been one of the strongest among big American banks. But the other banks have increased their primary capital at a faster pace than Mellon in the past few years, and by Mellon's own calculations, it has fallen behind the average of 25 large banking companies.

Mellon's primary capital amounted to 6.62 percent of total assets at year's end, compared with 6.75 percent for the 25 largest bank holding companies. And although Mellon's rate of loan losses is still far below the average for other banks, it has more than doubled in the past three years, to 0.45 percent, from 0.22 percent in 1983. The average for the 25-bank group rose to 0.85 percent, from 0.69 percent.

Despite the bank's troubles, Mr. Barnes believes that Girard will pay off. In trying to quickly integrate Girard into the Mellon culture, Mr. Barnes sees himself — and the bank — as pace setters in an industry grappling with big mergers and their pitfalls.

"It's the pioneers who always get the arrows in the back," he said.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued from Page 12)

Last Week's NYSE

NYSE Most Actives

Vol.		High	Low	Last	Chng.
BeatCo	107212	49	46⅞	48½	+1⅝
IBM	104157	152⅝	146¼	150⅝	+4⅝
AT&T	98281	23½	22⅛	23⅛	+⅞
viStorT	90582	7⅜	3¼	3⅞	—1⅜
USSteel	90212	24	22⅛	23	+⅛
WnAirL	75796	12¼	10½	11¼	—¾
PhilPt s	74370	10⅜	9⅞	10⅛	+⅜
Mobil	72139	29⅝	26½	29⅝	+2⅝
OccPet	71877	25½	22⅝	24⅞	+1½
UCarb s	69803	19¾	18⅜	19⅛	
EsKod s	65266	58½	54⅜	58⅛	+⅛
BnkAm	64782	17⅛	16⅛	17⅛	+1
Exxon	64246	55⅛	52⅛	55	+2⅛
Revlon s	62877	43⅞	37	42½	+5½
K mart	61770	42½	38⅞	42	+3⅛
PacGE	61040	23	22	22⅛	+¼
BaxtTr	60071	19½	17¾	19⅛	+1¾
Human	60026	30¾	29	29½	—⅞
MoseyF	58272	2⅝	2	2⅜	—⅛
LTV	55820	9¾	8⅛	9⅜	+1⅛
AtlRich	54469	53⅛	49½	52	+2½
MerLyn	53349	43⅝	41⅛	42½	+½
SouthCo	52540	23¾	22⅛	23¼	+1
GMot	51812	80⅞	78⅞	80	—¾
Revco	49897	34½	30¾	33¼	+2⅝

NYSE Diaries

	This Wk	Last Wk
Advanced	1586	1231
Declined	461	812
Unchanged	204	208
Total issues	2251	2251
New Highs	857	730
New Lows	35	58

NYSE Sales

	Sales Vol.
Total for week	880,800,000
Week ago	793,960,000
Year ago	487,160,000
Two years ago	461,890,000
Jan 1 to date	7,453,241,469
1985 to date	6,039,190,000
1984 to date	5,197,980,000

Last Week's AMEX

AMEX Most Actives

Vol.		High	Low	Last	Chng.
Wickes	154510	6⅝	5⅝	6½	+1⅛
DomeP	49775	1¾	1⅜	1⅜	—¼
ChmpH	35859	4⅜	3⅛	3¼	
KeyPh	28374	16½	15	16¼	+⅜
WangB	27240	21¾	19¾	21⅛	+1½
BAT In	26791	6	5⅜	5⅞	+⅜
LormT n	23307	24	22⅛	23⅞	+⅛
InstSy	20007	2⅝	1⅞	2⅛	+½
HmeG n	17485	30½	27⅝	29⅞	+2⅝
Lionel	16458	9⅛	8	9½	+1⅞
TexAir	15385	31	27⅝	28⅞	+1⅛
TIE	12834	6⅞	6	6⅞	+⅞
Astrotc	11616	2¼	1⅞	2⅛	+⅛
Wicks pfA	10805	37½	33½	36½	+3
AM Intl	10799	7⅞	7⅛	7⅜	—⅜
Delmed	10179	1⅜	1	1⅛	—⅛
PhilLD	9687	4⅛	3½	4	+⅞
Amdahl	7827	16⅛	14⅞	16¼	+1½
WDigitl	7374	11⅝	10½	11½	+⅞
Wickes wt	7340	4⅛	2⅝	3⅞	+⅞
Husky g	7048	6⅛	5⅝	6	+⅜
ChIMA s	6941	20⅛	18⅞	20	+1⅛
OzarkH	6839	17	16⅜	16⅞	—⅛
Halmi	6198	4¼	3⅞	4¼	+⅛
Swift pf	6006	5⅝	5⅛	5½	+¼

AMEX Sales

	Sales Vol.
Total for week	92,340,000
Week ago	84,570,000
Year ago	40,180,000
Jan 1 to date	686,540,000
1985 to date	493,180,000
AMERICAN BONDS	
Total for week	25,990,000
Year ago	11,460,000

AMEX Diaries

	This Wk	Last Wk
Advanced	541	445
Declined	283	348
Unchanged	105	136
Total issues	929	929
New Highs	228	207
New Lows	31	33

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Treasury Bills

Figures as of close of trading Friday

Hi	Lo	Mat	Bid	Ask	Yld	Chg
9.25	6.12	Mar 20 86	6.00	5.98	6.00	—.18
7.34	5.67	Mar 27 86	6.01	5.95	6.04	—.06
7.45	6.16	Apr 03 86	6.09	6.03	6.13	—.22
7.46	6.07	Apr 10 86	6.10	6.06	6.17	+.03
8.45	6.42	Apr 17 86	6.32	6.28	6.40	—.10
7.45	6.38	Apr 24 86	6.43	6.39	6.52	—.10
7.39	6.55	May 01 86	6.51	6.47	6.61	—.07
7.38	6.64	May 08 86	6.56	6.52	6.67	—.09
7.84	6.64	May 15 86	6.59	6.55	6.71	—.05
7.34	6.64	May 22 86	6.59	6.55	6.72	—.07
7.33	6.63	May 29 86	6.58	6.54	6.72	—.06
7.32	6.61	Jun 05 86	6.58	6.54	6.72	—.04
7.63	6.57	Jun 12 86	6.54	6.50	6.69	—.08
7.31	6.59	Jun 19 86	6.51	6.47	6.67	—.09
7.26	6.45	Jun 26 86	6.44	6.40	6.61	—.03
7.31	6.63	Jul 03 86	6.61	6.57	6.79	—.05
7.64	6.61	Jul 10 86	6.63	6.59	6.82	—.01
7.28	6.61	Jul 17 86	6.63	6.59	6.83	—.02
7.27	6.61	Jul 24 86	6.63	6.59	6.84	—.02
7.26	6.61	Jul 31 86	6.63	6.59	6.85	—.02
7.67	6.62	Aug 07 86	6.63	6.59	6.86	—.02
7.17	6.61	Aug 14 86	6.64	6.60	6.88	
7.17	6.60	Aug 21 86	6.63	6.57	6.88	—.02
7.06	6.59	Aug 28 86	6.60	6.56	6.85	—.02
7.64	6.55	Sep 04 86	6.53	6.49	6.79	—.05
6.59	6.59	Sep 11 86	6.56	6.54	6.85	—.01
7.52	6.61	Oct 02 86	6.60	6.58	6.90	—.02
7.51	6.62	Oct 30 86	6.60	6.54	6.89	—.02
7.41	6.62	Nov 28 86	6.60	6.56	6.91	—.02
7.40	6.60	Dec 26 86	6.56	6.54	6.91	—.04
7.27	6.61	Jan 22 87	6.60	6.56	6.95	—.02
7.16	6.58	Feb 19 87	6.60	6.56	6.98	

Chicago Exchange Options

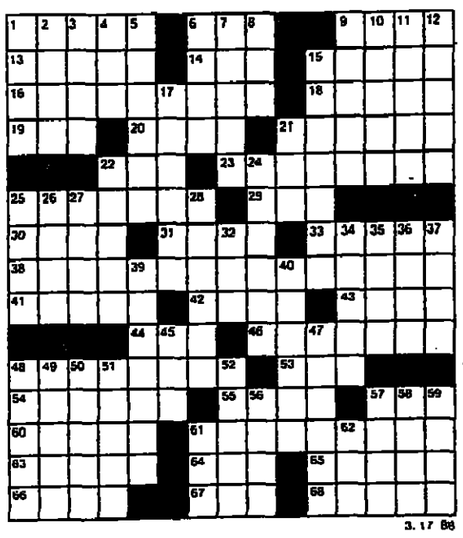
Figures as of close of trading Friday.

Total Volume: 964,737
Open Interest: 4,458,304
r—Not traded. s—None offered. o—Old.

American Exchange Options

Figures as of close of trading Friday.

Total Volume: 348,971
Open Interest: 3,557,278
r—Not traded. s—None offered. o—Old.



3.17 86

ACROSS

1 Munster-province county
6 Kind of can or man
9 Anatomical ducts
13 Tanker
14 Bot. or chem.
15 Fall beverage
16 Historic Irish seaport
18 Fatuous
19 Wee, to Burns
20 Dynamics preceder
21 Original word form
22 Finis
23 Irish president: 1959-73
25 Desert
29 Sparks or Rorem
30 V.I.P.'s car
31 Uproar
33 Irish patriot: 1778-1803
38 Eire capital
41 Shillong was once its capital
42 Agitate
43 Art Deco designer
44 *Finial*
46 Of a genus-species system
48 Irish clover
53 Five and ten: Abbr.
54 Wheat or rice
55 Foray
57 Violinist Bull
60 Of certain water plants
61 Connacht-province county
63 Light-colored
64 Hill dweller
65 Irish seaport
66 Gels
67 Earth: Comb. form
68 Praise

DOWN

1 Intimidates
2 Author O'Flaherty
3 Ski resort in Utah
4 Caddo Indian
5 Chore for Junior
6 Hebrew lyre
7 Young haddock
8 Concealed
9 *Industrial* plastic
10 What there is "nothing like"
11 Mister, in *Oaxaca*
12 Sphere of conflict
15 A. J. Cronin novel, with "The"
17 Sardou play
21 Mother of Cain
22 —— Gay
24 Necessitate
25 —— Longa, birthplace of Remus
26 Bent
27 Author Kingsley
28 Kind of acid or oxide
32 Taunting exclamation
34 Manners
35 Foal's dam
36 Miss Kett
37 Now's companion
39 —— Isle (Ireland)
40 Hospital part
45 Warsaw is its cap.
47 Knotty
48 Strikebreakers
49 Golden-ram rider
50 *Jargon*
51 Ways' companion
52 Oslo money
56 In re
57 Neglect
58 Trademark
59 Chemical compound
61 Tatter
62 Twice DXXX

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DENNIS THE MENACE

"I GOT TWO DIMES. HOW MUCH DID YOU GET?"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KICHT

NAGGI

CLAIFE

LIEROO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( ) ( ) ( )

(Answers tomorrow)

Friday's Jumbles: BLOAT EXULT ABOUND SAILOR
Answer: What a good pair of handmade shoes should be—BUILT TO "I AST"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	17	63	10	50	c
Amsterdam	9	48	1	34	fr
Athens	10	50	6	43	cl
Barcelona	15	59	4	39	fr
Belgrade	5	41	0	32	cl
Berlin	4	39	1	34	c
Brussels	11	52	3	36	fr
Bucharest	2	36	0	32	s
Budapest	2	36	1	34	c
Copenhagen	0	32	0	32	r
Costa Del Sol	16	61	7	45	c
Dublin	11	52	7	45	c
Edinburgh	7	45	5	41	r
Florence	17	63	6	43	fr
Frankfurt	10	50	4	39	cl
Geneva	10	50	-1	30	cl
Helsinki	-2	28	-12	10	c
Istanbul	9	48	4	39	cl
Las Palmas	20	68	15	59	cl
Lisbon	15	59	9	48	c
London	12	54	1	34	fr
Madrid	13	55	5	41	cl
Milan	13	55	5	41	cl
Moscow	5	41	-5	23	c
Munich	8	46	0	32	fr
Nice	16	61	8	46	fr
Oslo	0	32	-1	30	sw
Paris	15	59	3	37	fr
Prague	10	50	2	36	fr
Reykjavik	0	32	-1	30	sw
Rome	16	61	10	50	s
Stockholm	0	32	-2	28	c
Strasbourg	11	52	-1	30	c
Venice	13	55	3	37	fr
Vienna	7	45	4	39	c
Warsaw	5	41	-1	30	fr
Zurich	4	39	-2	28	fr
MIDDLE EAST					
Ankara	4	39	-2	28	cl
Beirut	—	—	—	—	sn
Damascus	—	—	5	41	fr
Jerusalem	17	63	7	45	fr
Tel Aviv	19	66	10	50	c
OCEANIA					
Auckland	22	73	19	66	cl
Sydney	22	72	20	68	c

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	26	77	fr
Beijing	9	48	1	34	fr
Hong Kong	24	75	20	68	r
Manila	33	91	27	81	fr
New Delhi	34	75	15	59	fr
Seoul	6	43	1	34	fr
Shanghai	9	48	6	43	fr
Singapore	31	88	25	77	c
Taipei	23	73	17	63	r
Tokyo	14	57	10	50	cl
AFRICA					
Algiers	17	63	5	41	fr
Cairo	21	70	11	52	fr
Cape Town	16	61	23	73	sh
Casablanca	17	63	8	46	c
Harare	25	77	19	66	cl
Lagos	30	86	23	73	c
Nairobi	26	79	14	57	cl
Tunis	17	63	8	46	cl
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Caracas	27	81	16	61	cl
Lima	—	—	—	—	na
Mexico City	28	82	3	37	fr
Rio de Janeiro	28	82	25	77	fr
NORTH AMERICA					
Anchorage	3	41	0	32	fr
Atlanta	21	70	9	48	fr
Boston	9	48	4	39	sn
Chicago	8	46	-2	28	fr
Denver	14	57	-2	27	fr
Detroit	6	43	-1	30	fr
Honolulu	28	82	21	70	fr
Houston	25	77	11	52	fr
Los Angeles	18	63	5	41	fr
Miami	28	82	20	72	sh
Minneapolis	4	39	-3	27	fr
Montreal	2	36	0	32	r
Nassau	29	84	25	77	fr
New York	13	55	5	41	fr
San Francisco	13	55	8	46	sh
Seattle	14	57	4	39	fr
Toronto	7	37	1	34	fr
Washington	14	61	5	41	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Fair. Temp. 11 — 5 (52 — 41). LONDON: Showers. Temp. 13 — 4 (55 — 39). MADRID: Cloudy. Temp. 14 — 5 (57 — 41). NEW YORK: Fair. Temp. 11 — 3 (52 — 37). PARIS: Fair. Temp. 15 — 5 (59 — 41). ROME: Fair. Temp. 17 — 11 (63 — 52). TEL AVIV: Na. ZURICH: Fair. Temp. 6 — 0 (43 — 32). BANGKOK: Mist. Temp. 32 — 26 (91 — 79). HONG KONG: Fair. Temp. 27 — 23 (81 — 91). MANILA: Fair. Temp. 32 — 23 (90 — 73). SEOUL: Fair. Temp. 8 — 4 (46 — 39). SINGAPORE: Thunderstorms. Temp. 31 — 25 (88 — 77). TOKYO: Showers. Temp. 6 — 1 (43 — 34).

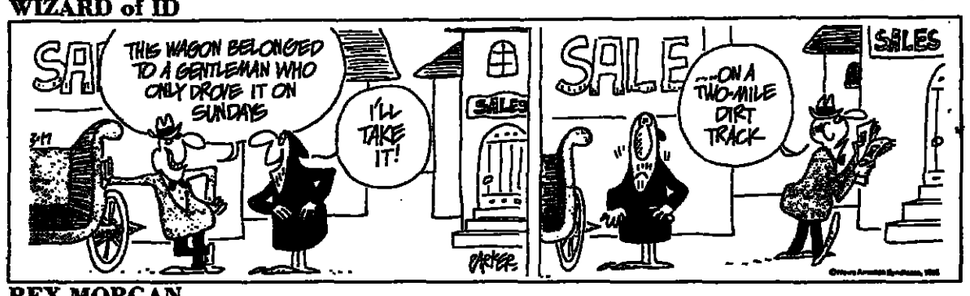
PEANUTS

BLONDIE

BEETLE BAILEY

ANDY CAPP

WIZARD of ID



REX MORGAN

GARFIELD

BOOKS

AMERICA IN EUROPE: A History of the New World in Reverse

By German Arciniegas. Translated from Spanish by Gabriela Arciniegas and R. Victoria Arana. 298 pages. $19.95. Harcourt Brace Jovanovich, 1250 Sixth Avenue, San Diego, Calif. 92101.

Reviewed by John Gross

FROM the moment Europeans discovered America, it began to modify their lives, their politics, their economies, their ideas. Even more importantly, perhaps, by confirming their hopes, it raised fresh ones. It was a dream come true — not exactly in the way that had been anticipated, but palpably enough to hold out the possibility that many other dreams might come true as well.

In "America in Europe," German Arciniegas argues that the influence of the New World on the Old has been neglected by historians. In taking it as his subject, he has set himself a daunting task. But Arciniegas, a veteran man of letters, is too shrewd to let himself get drawn into attempting an exhaustive survey. Instead, he concentrates on a few major themes and episodes.

In spite of these self-imposed restrictions, he tends to work in broad sweeps and bold splashes of color. "America in Europe" is in many ways picture-book history, and every so often you feel that the author's rhetoric has got the better of him. But for the most part it is rhetoric animated by ideas, and backed by substantial learning. The result is an unusually stimulating book, its novelty enhanced by a Latin American viewpoint.

In Arciniegas's opening pages, Amerigo Vespucci looms larger than Columbus. Where Columbus only proved that the world was a sphere, as many people already believed, Vespucci revealed a continent that no one had suspected — though it had been prefigured in the legend of Atlantis and other ancient myths that now began to look as though they might turn out to be true. The country of the Amazons, for instance — it is not just the Amazon River that bears witness to the expectation of such prodigies, but the region that was named after the island of Amazons, California. And in a world that had suddenly doubled its size, the fable of the Earthly Paradise seemed that much less of a fable and more of a possible fact.

One paradise, of sorts, that owed much of its inspiration to the opening up of the New World — its creator located it there — was Thomas More's Utopia. There had been utopias before, Arciniegas observes, but "they had been built on air, poetic abstractions without consequence." It is only with More, he claims, and with America, that utopia entered the realm of practical possibilities, a development that was to have momentous implications for political thought.

Perhaps the most obvious result of the discovery of America is the number of Americans of European descent. From the first, unlike Asia, it was a continent that aroused dreams of conquest and settlement. But it also liberated European thinking. It enabled Copernicus — or so Arciniegas contends — to disregard the scientific authority of Saint Augustine (who had denied the existence of the antipodes) and formulate his astronomical system. It was the birthplace of anthropology and sociology; it was to have a profound influence on the outlook of such figures as Linnaeus, Humboldt and Darwin.

In politics, Arciniegas credits America with "the invention of independence," a word that he says — citing Diderot's and d'Alembert's Encyclopedia — was of poor political repute before the American Revolution. (Generally true, no doubt, though he overlooks its use among English religious dissenters from the 17th century on.) The European discovery of political America that began in the 1760s, that found its first hero in Benjamin Franklin, was the discovery of republicanism, equal rights and self-determination. It played a key role in provoking revolution in France, and in spreading revolutionary ideals elsewhere in Europe — in Kosciuszko's Poland, for instance.

In time, too, the North American precedent was to be reinforced by enthusiasm for the liberation movements in Latin America. There had been a frustrated revolutionary impulse in the Spanish colonies during the 18th century, to which Arciniegas devotes an interesting chapter, but it was Bolivar who had the deepest impact on European imaginations.

The most memorable European revolutionary to take his cue from South America was Garibaldi. Arciniegas gives a stirring account of how much he learned about guerrilla warfare while fighting for Brazilian independence, and helping Uruguay defend itself against the Argentine dictator Rosas. Even the famous Garibaldian red shirt first saw the light on this side of the Atlantic — in Montevideo, where a store found itself overstocked with red material intended for export to Buenos Aires, and give it to the Italian legion instead.

Arciniegas tends to be unduly lyrical about romantic nationalism and revolutions in general, where a little analysis might have been in order, and his chapter on romanticism occasionally threatens to take off into the clouds. Fortunately, he comes down to earth in a final chapter in which he discusses the European consumption of American foodstuffs and their byproducts. The potato and potato alcohol, for instance — of the many forms that America in Europe takes, not the least notable is vodka. Or as Arciniegas puts it, "It is America that makes the Cossacks dance."

John Gross is on the staff of The New York Times.

Solution to Friday's Puzzle

N	I	P	A		T	A	B	O	R		P	O	S	T
O	R	A	D		I	N	A	N	E		A	L	T	O
P	A	N	J	A	N	D	R	U	M		N	E	A	T
E	S	T		S	P	A	N	S		S	N	O	R	E
		A	P	P	A	L	S		P	O	I			
S	A	L	T	I	N	E		B	A	S	E	P	A	Y
C	L	O	A	C	A		P	A	N	O	R	A	M	A
A	D	O			L	I	M	B	I			N	E	R
P	A	N	T	I	L	E	S		C	R	A	Z	E	D
E	N	S	U	R	E	S		A	B	I	D	E	R	S
		B	A	Y		K	R	U	G	E	R			
S	P	R	E	E		T	I	L	T	H		U	K	E
L	O	O	P		P	A	N	E	T	T	O	N	E	S
A	N	T	A		O	R	O	N	O		D	I	E	T
P	E	E	N		P	O	S	E	N		E	T	N	A

3/15/86

BRIDGE

By Alan Truscott

A bid that is most unlikely to be employed in a natural sense is considered idle, and an example occurs when a pre-emptive opening is overcalled or doubled.

The opener's partner will normally pass or raise, so a change of suit is effectively idle. Many experts now use this as a lead-directing move, preparing for defense.

The value of this conception is illustrated by the diagrammed deal from a recent tournament. At most tables North-South scored a game in a major suit or East-West saved in five diamonds, losing 300. A different pattern emerged, as shown, when another pair held the East-West cards.

The opening three-diamond bid with a six-card suit was atypical, based on the vulnerability. When North doubled, East bid four clubs, which was alerted and explained: a raise in diamonds with a desire for an opening club lead. West now had a good picture of his partner's hand and good reason to think he could score four tricks in defense to a major suit. He therefore doubled four hearts, an unusual move for a pre-emptive bidder, and doubled again when South retreated to four spades. His purpose was not so much to increase the penalty but to discourage his partner from saving in five diamonds.

The defense proceeded exactly as West had visualized. He led his singleton club and East won and returned the suit for a ruff. Then an underlead of the diamond ace permitted a second club ruff and gave East-West all the match points.

NORTH
♠ Q 8 3 2
♡ A K 10 9
◇ Q 8
♣ K 7 5

WEST
♠ 10 9 5
♡ 9 8 7
◇ A J 9 7 6 5
♣ 2

EAST
♠ K 4
♡ J 4
◇ K 10 3 2
♣ A 10 8 6 4

SOUTH (D)
♠ A J 7 6
♡ Q 6 3 2
◇ 4
♣ Q J 9 3

North and South were vulnerable.

The bidding:

South	West	North	East
Pass	3 ◇	Dbl.	4 ♣
4 ♡	Dbl.	Pass	Pass
4 ♠	Dbl.	Pass	Pass
Pass			

West led the club two.

SPORTS BRIEFS

World Indoor Marks Lowered at U.S. Meet

OKLAHOMA CITY (UPI) — Three world indoor-best records were set at the NCAA Indoor Track and Field Championships here during the weekend.

Roddie Haley of Arkansas clocked 59.82 seconds on Saturday to break the 500-meters mark for the second consecutive night. In a Friday preliminary heat Haley had run a 1:00.69, bettering the 1:00.85 set by Clarence Daniel on Feb. 2.

Lee McRae of Pittsburgh lowered the record in the 55-meter dash Friday with a time of six seconds flat. The previous indoor best, set in 1983 by Carl Lewis, was 6.02.

Oliva Is WBA Junior Welterweight Champ

MONTE CARLO (AP) — Patrizio Oliva of Italy scored a split-decision victory here Saturday over Ubaldo Sacco of Argentina to win the World Boxing Association junior welterweight championship.

Oliva, 27, is unbeaten in 31 bouts. He took the title away from the more experienced Sacco in the Argentinian's first defense.

Favoring Oliva were Judge Chang Yung Soo of South Korea and Rudolfo Hill of Panama (147-144 and 145-141, respectively), while American judge Bill McConkey saw it Sacco, 145-140. Frank Cappucino, the U.S. referee, told the judges to cut one point from Oliva's score for holding in the 12th round.

Iowa Takes 9th Straight Wrestling Crown

IOWA CITY, Iowa (UPI) — The University of Iowa, led by two-time national champion Marty Kistler and Duane Goldman, won a record five individual titles in capturing its ninth straight NCAA wrestling crown here Saturday.

Goldman, in the 190-pound (86-kilogram) category, won a 5-4 decision over defending champion Dan Chaid of Oklahoma, giving Iowa a team score of 158 points. That eclipsed the previous high of 155, set by the Hawkeyes in 1983. Oklahoma was second with 84.75 points and Oklahoma State third with 77.25.

Kistler, at 167 pounds, was named the tournament's outstanding wrestler. Iowa's other champions were Brad Penrith (at 126 pounds), Kevin Dresser (142) and Jim Heffernan (150).

China Will Lift Its 30-Year Ban on Boxing

BEIJING (AP) — China will resume boxing as a sport three decades after it was officially banned on grounds it was too violent, Xinhua News Agency reported.

The hope is that Chinese boxers will win medals in future Olympics, Xinhua quoted Sports Minister Li Menghua as saying at a sports conference Saturday.

For the Record

Thunderstorms and soggy conditions forced the cancellation for the second straight day of the Bay Hill Classic golf tournament Saturday in Orlando, Florida. The event was to conclude with a 36-hole finale Sunday. *(UPI)*

Point guard John Lucas has been released by the Houston Rockets after failing a drug test. Admitted to a drug treatment center, Lucas would be allowed to sign with another National Basketball Association team after he completes his hospitalization and if he follows a treatment program, a Houston spokesman said. *(AP)*

Marco Baldi, the Italian-born backup center for St. John's, has been suspended from the NCAA basketball tournament and part of next season for allegedly receiving improper expenses while playing in a development program for the Italian Olympic team last summer. *(AP)*

Mattingly: Toughie Only Getting Tougher

By Thomas Boswell
Washington Post Service

FORT LAUDERDALE, Florida — It's tough to win a batting title your first full season, follow that with a most valuable player award and still remain somewhat unknown. To do so while playing for the New York Yankees ought to be impossible.

But then, Don Mattingly's a tough guy. Tough to know, to predict, to evaluate. And among the toughest to get out.

Most 24-year-olds would recall the winter night when they received the MVP plaque as one of glory. *Mattingly says, "I don't remember much about it, except our son Taylor lost his pacifier and we were up all night with him. That'll bring you back to earth."*

Just when you think you have Mattingly pegged as a phlegmatic stoic, he comes to a banquet after the Super Bowl wearing punk sunglasses and a headband with "Steinbrenner" on it. "Did it because Pete Rozelle was there," he says. That argument with Steinbrenner over his new $1.37-million contract — a million-buck raise in a year — couldn't have anything to do with it?

If you guess along with Mattingly, you'll be the one who gets burned. That's the pitchers' book on the compact 5-foot-11, 175-pound (1.82-meter, 79.4-kilogram) first baseman. Mattingly takes things as he finds them, then reacts. Except, occasionally, when he gets a step ahead of you and sets you up.

Ask what pitcher and what pitch is hardest for him. "John Candelaria. Haven't got a clue to him yet. And high fastballs on the inner half. Write that down." True, Candelaria owns him. *But the pitch Mattingly hits best is the fastball* in his wheelhouse. If he tells the white lie often enough, some pitcher somewhere is going to believe it.

Nobody has figured out Mattingly yet. Two years ago in Florida, he was just a prospect who'd hit .283 as a rookie but with no power (four home runs in 279 at-bats). Then the Yankees hoped he might be a perennial .300 hitter. Now that estimate's radically revised.

"Who do you compare him to?" says Coach Roy White. "Compare him to anybody you want. Stan Musial, Ted Williams, Joe DiMaggio."

The Musial analogy works. Left-handed hitter. Eccentric closed and coiled stance. Sprays the ball. Tons of doubles. Not too many walks. Hard to strike out.

"He doesn't look like Musial, but he hits like him," says Baltimore's manager, Earl Weaver. "Musial was the best at adjusting once the ball left the pitcher's hand. He'd hit the pitcher's pitch. Williams was the best at making them throw him his pitch. He didn't believe in adjusting."

"Once every couple of games, a Musial or Mattingly is going to adjust and put that tough pitch in play and you're going to get some extra outs," Weaver said. "But he's also going to drive you crazy by popping a perfect fastball on the fists down the left-field line for a double."

The difference between Musial and Mattingly is that, at similar ages, Mattingly is undeniably ahead. Yes, Musial averaged 209 hits, 79 extra-base hits and a .352 average in his first two big years. But Mattingly has been in that range, too, for the last two years — 209 hits, 77 extra-base hits and a .333 average.

And Mattingly hit 23 and then 35 homers, and drove in 110 and then 145 runs. When Musial was 23, 24 years old, he was hitting about a dozen homers and driving in 80 or 90 runs.

Don Mattingly: Even a talent for white lies.

"The power's been evolutionary. A surprise. I never expected to hit 35," says Mattingly. "I learned the weight shift from Lou Piniella. He taught me to use my body more, look for pitches, set up pitchers and pull the ball."

The last Yankee to drive in more runs than Mattingly was DiMaggio in 1948. Nobody has led the majors in doubles back-to-back since Tris Speaker.

Another Mattingly distinction is a Gold Glove. "Day game after a night game, Mattingly's *still out there taking his 100 ground balls,*" says coach Jeff Torborg. When Mattingly botched one last July, it ended a streak of 1,371 plays without error.

Of the parallels with stars of the past, Mattingly says, "I appreciate it, but it doesn't help me on the field. So let it go. I'd compare myself more to Bill Buckner. He's consistent, hard-nosed, good in the clutch. I love the way he plays. If it's biting it takes, then it's biting; if it's *scratching, then scratch. . . . I'll take a ground* ball off the chest, get my uniform dirty."

Mattingly's the easiest sort of player to praise — the quiet gamer with an inconspicuous number on his back (23) and low, unstylish stirrups on his pants.

"What I do on the field, that's me," says Mattingly. "If I take care of my game, everything else falls in place. The game is the thing you can control. Especially in New York, where so much stuff can clutter you up."

Mattingly has abandoned a written "book" on pitchers. "Too monotonous. Actually, they're all tough, or none of them are. I get everybody or everybody gets me." (But when lefties troubled him, he found a way to trouble them back; although he hits 60 points less against them, he hit more homers in far fewer at-bats.) What he really discovered was that a chronicle on catchers helped more.

Will he, like Buckner, be too tough to stay in one piece? Last spring, arthroscopic knee surgery. This spring, a bone bruise to the thumb that has him benched. So far, not much. But will it add up?

Come back in 2001 for that. We'll see then how well he really stacks up with Musial. For now, let Scout McGregor be the spokesman for a multitude of pained pitchers. "How does he strike me?" says the Oriole. "All over the place. He just waves you and goes home."

SPORTS

Villanova, Georgetown Lose in NCAA Tournament

Compiled by Our Staff From Dispatches

NEW YORK — This year's Na-onal Collegiate Athletic Associa-on basketball tournament has uickly taken on a whole new look, s three of four 1985 semifinalists vere beaten Saturday in second-ound action.

Defending champion Villanova, Georgetown (the other 1985 final-st) and Memphis State all were ...ged as the tournament was re-duced to 24 teams from its original 64. Going into Sunday, St. John's vas the only semifinalist from 1985 still alive. Meanwhile, No. 1 Duke and No. 2 Kansas powered into heir regional semifinals.

On Friday, the University of Ar-kansas-Little Rock and Cleveland State, making their first appear-ances in the tournament, eliminat-ed two of college basketball's tradi-ional powers. In the Midwest Regional, Arkansas-Little Rock stunned Notre Dame, while in the East Regional, Cleveland State mocked off Indiana.

...n Saturday, a desperation shot t the buzzer lifted Louisiana State ver Memphis State; Villanova fell o Georgia Tech and Michigan State downed Georgetown, college basketball's dominant team for the ast four years.

East Regional

Cleveland State 83, Indiana 79: The Vikings used a pressing de-ense and Clinton Ransey's 27 oints to hand Bobby Knight his irst opening-round NCAA loss in is 15 years as the Indiana coach. "It was a great win for the off-Broadway guys against the prime-me guys," said Cleveland State's oach, Kevin Mackey.

Syracuse 101, Brown 52: Dwayne Washington scored 21 oints as Syracuse toyed with rown.

Navy 87, Tulsa 68: Navy got 30 oints from 6-11 center David Robinson and 24 from Vernon But-r.

St. Joseph's 60, Richmond 59: St. oe's needed three free throws by Maurice Martin in the final 14 sec-nds to edge Richmond.

Duke 89, Old Dominion 61: On aturday, Johnny Dawkins struck or 25 points on 10-of-12 shooting or Duke. Kenny Gattison had 17 oints for Old Dominion.

DePaul 74, Oklahoma 69: Marty mbry led DePaul with 19 points, nd Darryl Kennedy scored 21 for e Sooners.

Southeast Regional

Kentucky 75, Davidson 55: Ken-y Walker scored 20 points to help Kentucky overcome a sluggish start n Friday.

Illinois 75, Fairfield 51: Anthony Welch scored 22 points and defen-ive pressure helped Illinois spoil Fairfield's first NCAA appearance.

Alabama 97, Xavier (Ohio) 80: im Farmer scored 24 points and uck Johnson added 22 as Ala-ama never trailed.

Western Kentucky 67, Nebraska 59: Kannard Johnson and Clarence Martin scored six points each in a 6-4 second-half burst and West-n Kentucky held off Nebraska.

Louisiana State 83, Memphis State 81: Anthony Wilson's 10-foot ank shot at the buzzer led LSU to ictory Saturday on its home court n Baton Rouge, Louisiana. LSU's Don Redden had missed a jumper with five seconds left and the play-rs dove for the ball; it squirted to Wilson, and his shot bounced off the backboard and hit the rim twice before falling through. Redden had 23 points, while Baskerville Holmes scored 20 for 12th-ranked Memphis State.

Georgia Tech 66, Villanova 61: Mark Price scored 20 points and No. 6 Georgia Tech fought off a frantic Villanova comeback. Tech led by 18 early in the second half before Villanova closed to 59-57. Doug West had 20 points for Villanova, whose coach, Rollie Massimino, said he had believed the Wildcats could repeat as NCAA champs. "I thought we could win it again," he said. "I believed that from Day One."

Midwest Regional

Arkansas-Little Rock 90, Notre Dame 83: Pete Myers scored 29 points, Michael Clarke 27 and Myron Jackson 22 for Arkansas-Little Rock on Friday, while David Rivers tallied 25 points for Notre Dame. Mike Newell, the Arkansas-Little Rock coach, said, "It's just one of those games where we wanted it — and played excellent basketball."

Michigan 70, Akron 64: Michigan center Roy Tarpley scored 13 points, including a three-point play with 8:03 remaining.

Iowa State 81, Miami (Ohio) 79: Jeff Hornacek, whose 15-foot jumper with 27 seconds left in regulation play forced an extra session, hit a 22-footer for Iowa State as the overtime buzzer sounded.

North Carolina State 66, Iowa 64: Chris Washburn scored 18 points and ignited a 10-0 spurt midway through the second half for North Carolina State.

Michigan State 80, Georgetown 68: On Saturday, the Spartans' Scott Skiles scored 24 points (18 of them in the second half on 6-of-7 shooting). David Wingate had 17 points for Georgetown, which had appeared in the NCAA title game three of the last four years.

Kansas 65, Temple 43: Kansas got 14 points apiece from Calvin Thompson, Ron Kellogg and Danny Manning, who battered the Owls underneath. Temple was led by Nate Blackwell's 14 points.

West Regional

St. John's 83, Montana State 74: Limping on an ankle he sprained early in the game, Walter Berry scored 31 points and pulled down 11 rebounds for St. John's on Friday.

Nevada-Las Vegas 74, Northeast Louisiana 51: Anthony Jones scored 18 points and Armon Gilliam added 16 points and 13 rebounds for Nevada-Las Vegas.

Maryland 69, Pepperdine 64: Maryland got 26 points from Len Bias and the Terrapins made seven free throws in the final 37 seconds.

Auburn 73, Arizona 63: Chuck Person scored 20 points for Auburn, which went ahead for good 56-54 on a jump shot by Gerald White with 6:06 left.

Louisville 82, Bradley 68: Louisville relied Saturday on 16 points each by Milt Wagner and freshman Pervis Ellison. Hersey Hawkins led Bradley with 22 points.

North Carolina 77, Alabama-Birmingham 59: Joe Wolf had 16 rebounds and Kenny Smith 17 points for North Carolina. Steve Mitchell, UAB's top scorer, had 7 points on 3-of-21 shooting. *(UPI, AP)*

Reuters-United Press International

Baskerville Holmes, arching past Don Redden, made this basket and led Memphis State with 20 points, but Redden racked up 23 of his own in Louisiana State's 83-81 victory.

France and Scotland Triumph To Share Rugby Championship

By Bob Donahue
International Herald Tribune

PARIS — France sputtered and flashed to an emphatic rugby victory over England here Saturday, while Scotland barely survived a sparkling Irish challenge in Dublin. The two winners share the 1986 Five Nations tournament title, amid a flurry of scoring records.

Scotland won, 10-9, with a try by veteran scrumhalf Roy Laidlaw and two penalty goals by fullback Gavin Hastings, who finishes his first tournament with a Scottish record of 52 points.

The Irish led at halftime, 9-0, on a try by wing Trevor Ringland and a conversion and penalty goal by center Michael Kiernan. A late penalty award against Scotland was reversed by a French touch judge when the Irish were in a position to kick the winning points.

Dublin provided most of the excitement on the tournament's fifth Saturday, as the Irish attacked from all over the pitch in the last quarter. But Paris provided the class. After France's demolition of England, The Observer commented in London on Sunday that the French are "far and away the best" in Europe and "can now be regarded as the only credible European contenders for the World Cup in 1987."

The Paris score, 29-10, should have been bigger for both sides. England managed a try by lock Wade Dooley and two penalty goals by substitute fullback Stuart Barnes, after flyhalf Rob Andrew missed four out of four in the first half. With its attacking backs on a leash until the outcome was settled, France finished with four tries, two conversions and three penalty goals.

The game was only 62 seconds old when Andrew missed on his first penalty-goal chance. Soon the French were penalized again; England kicked its way back down the pitch and the game's first scrum was just 10 meters (32 feet) from the French line. The stadium buzzed in expectation — here came the crunch — as the two packs stooped and crashed into each other.

France heaved England back and won a delighted roar from the home crowd. The suspense had lasted only four minutes.

Late Saturday night, forwards of both teams admitted surprise at the ease with which the French front five — props Philippe Marocco and Jean-Pierre Garuet, hooker Daniel Dubroca and locks Francis Haget and Jean Condom — punctured English scrummaging pride.

The scrum was supposed to be the main plank in England's platform. Andrew removed another plank by missing his kicks. That left a gaping hole for England to fall through.

Nobody gave up, though, and English success at the lineouts brought the first try by a visiting team at the Parc des Princes in more than two years. Andrew kicked to the corner, France unwisely chose a two-man lineout and Condom caught but then lost the ball. Dooley and hooker Steve Brain dove for it. Welsh referee Derek Bevan awarded Dooley the try in the 25th minute of the second half.

That came after Barnes's two penalty goals, during a 17-minute spell when the score went from 17-0 to 23-10. Led by lock Maurice Colclough since Nigel Melville's departure with a neck injury at the start of the second quarter, the English were limiting damage — seeking not victory but a respectable losing margin. Melville's replacement was the fiery Richard Hill.

French flyhalf Guy Laporte kicked two penalty goals before running to a try in the 30th minute down the left touchline. That a 33-year-old could get away with a sprint half the length of the field was an indictment of England's young backs. Fullback Huw Davies finally caught him in the corner, and seemed to dislodge the ball as Laporte plunged. Davies hurt his left shoulder and Barnes came on.

The second half started with England's scrum almost conceding a penalty try, but France wheeled and fullback Serge Blanco darted over untouched.

A penalty try did come in the 15th minute of the half. Barnes desperately swatted the ball as center Philippe Sella passed inside toward Denis Charvet after an imperial surge down the right. Laporte converted.

The French had been under popular pressure to be dazzling. They were, in spurts, with Blanco or right wing Jean-Baptiste Lafond triggering flashy surges. But half a dozen attacks ended in uncharacteristic fumbles.

Still, the fireworks display had an impeccable climax. Attacking from a scrum near their own goal line, the French launched left wing Eric Bonneval up the left. At the far end, Charvet lobbed inside to Sella. England's defense was strewn forlornly the length of the field by the time Sella bowed slowly to touch down between the posts.

"Très bien," the beaming referee said to Sella, in an unusual departure from official impassivity. He had felt, Bevan explained later, that the brilliant try was "a fine way to finish the international season."

At the banquet, England's players were advised by their president to go home to their clubs, county teams and divisional squads and "tell them how these Frenchmen attack and run with the ball."

Sella became the fourth man in history to score a try in all four tournament matches.

The five teams' 360 points were the most ever; so were their 58 penalty goals.

The Associated Press

France won the Five Nations rugby match, 29-10, but English lock Wade Dooley often outjumped French locks Francis Haget, left, and Jean Condom in the lineouts.

Steiner, Fletcher Win Downhills

Reuters-UPI

Pam Fletcher: "It was a blast."

Compiled by Our Staff From Dispatches

WORLD CUP SKIING

WHISTLER, British Columbia — Anton Steiner of Austria won the final men's downhill ski race of the World Cup season Saturday as a fall near the finish line deprived Switzerland's Peter Müller of victory and a share of the overall downhill title.

Meanwhile, in Vail, Colorado, Pam Fletcher of the United States — skiing from the 36th position on a course that became faster as the day went on — won her first-ever women's cup downhill.

The 27-year-old Steiner, starting third, flashed down the treacherous, icy-fast Whistler Mountain course in 2 minutes, 9.78 seconds. He was in the finish area when Müller, running nearly a second faster, lost his balance and fell 200 meters (about 200 yards) from the finish, in sight of a cheering crowd.

"I took a risk coming over the last jump," said the burly, 28-year-old Müller, who had won three of the last four cup races. "I could stand up and push this jump, but I took a risk and the course was too fast and I had no chance to make it. The skis came up and I landed on my tails."

A victory would have tied Müller with Peter Wirnsberger of Austria for the downhill title.

Wirnsberger, who started two places ahead of Müller and wound up 11th (in 2:11.63), was the first to console Müller in the finish area, patting his rival on the back as Müller rested on his poles, staring at his skis.

"It was really bad luck," said Wirnsberger, who won four consecutive races earlier in the season. "Peter fell so close to the finish line and was really close to winning it."

It was the first downhill title for Wirnsberger, a 27-year-old who finished with 120 points to 115 for Müller.

Steiner edged Michael Mair of Italy by .11 second on the 44-gate course with a vertical drop of 989 meters. Leonhard Stock of Austria was third in 2:10.14.

Steiner said he felt no pressure during the race.

"I am never fast in training, so there is no pressure on me in the race and I think that's better for me," he said. "The course was fast and it was very difficult for me to win here. I think I had the fastest skis and that made it possible to win."

In Vail, Fletcher, 23, posted a time of 1:54.28 to edge Lauri Graham of Canada by .32 second. Switzerland's Maria Walliser, who regained the overall downhill title she lost to teammate Michela Figini a year ago, was third in 1:55.08.

Katrin Gutensohn of Austria, the only other racer with a chance at the season's downhill title, finished seventh. Walliser, who won three downhill races this year, clinched the title with 115 points to 110 for Gutensohn and 105 for Graham. "I did not ski so well today, but I was not affected by the snow," said Walliser, the 21st racer on the course. "It has been hard competition all year. Laurie and Katrin always go for the victory and it's been tough."

"It was a blast," Fletcher said after the race. "I wanted it bad. My position was perfect," she said. "I knew the course was getting faster when I got in the starting gate and I just felt great. Everything just really came together today."

Gutensohn, showing obvious disappointment, accepted consolation from Walliser before skiing under a fence to avoid questions.

Graham thought she had the race won when Walliser and Gutensohn were unable to beat her time.

"They both had a lot of pressure because the title was at stake," said Graham. "This is a good way to end the season." *(AP, UPI)*

■ Kiehl Wins Super-Giant Slalom

Marina Kiehl of West Germany won the final women's super-giant slalom of the season on Sunday to capture the overall title in the discipline, The Associated Press reported from Vail.

Kiehl was clocked in 1:23.40, ahead of Austria's Anita Wachter in 1:23.64. Fletcher had the second-fastest intermediate time but fell three gates from the finish.

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct.	GB
x-Boston	53	13	.803	—
x-Philadelphia	43	24	.642	10½
New Jersey	34	35	.493	20½
Washington	32	35	.478	21½
New York	20	48	.294	34
Central Division				
x-Milwaukee	46	22	.676	—
x-Atlanta	42	26	.618	4
x-Detroit	40	27	.597	5½
Cleveland	25	42	.373	20½
Chicago	24	44	.353	22
Indiana	24	45	.348	22½

WESTERN CONFERENCE

Midwest Division

	W	L	Pct.	GB
Houston	42	25	.627	—
Denver	40	27	.597	2
Dallas	36	31	.537	6
Utah	33	35	.485	9½
San Antonio	31	37	.456	11½
Sacramento	30	37	.448	12
Pacific Division				
y-L.A. Lakers	50	16	.758	—
Portland	33	36	.478	18½
Phoenix	26	39	.400	23½
L.A. Clippers	25	43	.368	26
Seattle	24	42	.364	26
Golden State	22	46	.324	29

(x-clinched playoff berth)
(y-clinched division title and playoff berth)

FRIDAY'S RESULTS

Denver 31 28 25 16—101
Washington 22 27 25 17— 91
English 13-23 7-7 33, Hanzlik 5-12 8-8 18; Robinson 8-16 4-4 20, Roundfield 8-11 2-4 18. Rebounds: Denver 42 (Cooper 9); Washington 32 (Robinson 7). Assists: Denver 13 (Cooper 4); Washington 21 (Daye 7).

Cleveland 19 28 29 22—98
Philadelphia 24 30 29 26—109
Malone 11-18 8-9 30, Erving 11-19 6-8 28; Hinson 13-24 3-6 29, Bagley 8-19 4-4 20. Rebounds: Cleveland 48 (Lee 14); Philadelphia 48 (Barkley 14). Assists: Cleveland 25 (Bagley 7); Philadelphia 30 (Cheeks 11).

Boston 33 28 28 32—121
Atlanta 38 24 29 19—114 (?)
Bird 10-16 5-5 26, McHale 8-11 8-8 24; Wilkins 17-32 8-11 42, Rollins 6-10 2-2 14. Rebounds: Boston 43 (McHale 12); Atlanta 44 (Rollins 10). Assists: Boston 28 (Johnson 9); Atlanta 28 (Webb 9).

New York 27 22 23 17— 89
Detroit 24 29 31 28—112
Tripucka 9-13 3-3 21, Laimbeer 8-14 2-2 18; Wilkins 9-19 2-3 20, Sparrow 5-13 4-5 14, Tucker 7-17 0-0 14. Rebounds: New York 44 (Bailey 11); Detroit 57 (Mahorn 9). Assists: New York 11 (Sparrow, Grunfeld 3); Detroit 30 (Dumars 7).

Portland 22 29 31 36—118
Dallas 35 24 38 32—129
Aguirre 15-27 4-7 35, Blackman 13-28 8-9 34; Drexler 17-23 6-9 41, Thompson 10-17 0-0 20. Rebounds: Portland 39 (Carr, Drexler 8); Dallas 48 (Donaldson 14). Assists: Portland 32 (Drexler 15); Dallas 33 (Blackman 10).

Indiana 25 32 31 26—114
Milwaukee 34 21 23 26—104
Stipanovich 8-14 6-8 22, Richardson 10-19 1-2 21; Moncrief 8-14 7-9 25, Pierce 6-12 6-6 18. Rebounds: Indiana 48 (Williams 9); Milwaukee 48 (Lister 12). Assists: Indiana 34 (Fleming 12); Milwaukee 19 (Moncrief, Pierce, Lister 4).

San Antonio 31 31 33 26—121
Utah 32 38 39 37—146
Dantley 20-26 7-10 47, Green 9-14 1-1 19, Hansen 7-8 1-1 19; Mitchell 12-20 10-11 34, Williams 6-11 10-11 22. Rebounds: San Antonio 45 (Greenwood 8); Utah 52 (Eaton 12). Assists: San Antonio 26 (Sundvold 6); Utah 38 (Green 14).

Sacramento 29 29 19 27—104
L.A. Clippers 38 31 22 21—105
Benjamin 9-15 8-10 26, Nixon 8-14 0-0 19; E.Johnson 13-20 3-4 29, Tyler 8-8 1-1 17. Rebounds: Sacramento 45 (Theus 8); L.A. Clippers 55 (Benjamin 14). Assists: Sacramento 36 (Theus 10); L.A. Clippers 28 (Edwards 6).

SATURDAY'S RESULTS

Milwaukee 38 29 18 30 10—125
Chicago 35 28 22 29 9—114
Cummings 16-28 2-3 34, Moncrief 10-13 6-9 27; Oakley 14-27 7-9 35, Green 9-25 6-6 24. Rebounds: Milwaukee 51 (Cummings 9); Chicago 54 (Oakley 26). Assists: Milwaukee 38 (Moncrief 12); Chicago 28 (Oakley 7).

L.A. Clippers 34 23 23 36—116
Houston 38 41 35 34—148
Olajuwon 9-17 1-2 19, Petersen 7-8 5-5 19, Sampson 7-9 4-5 18; Nixon 11-18 0-0 24, Benjamin 7-18 8-9 22. Rebounds: L.A. Clippers 37 (Benjamin 13); Houston 49 (Petersen, Olajuwon 9). Assists: L.A. Clippers 31 (Nixon 15); Houston 50 (Lloyd 10).

Utah 30 26 21 21— 98
Dallas 29 24 29 26—108
Harper 9-15 6-7 24, Blackman 11-24 1-1 23; Dantley 11-21 11-13 33, Malone 11-19 2-4 24. Rebounds: Utah 43 (Eaton 9); Dallas 58 (Donaldson 16). Assists: Utah 22 (Green 8); Dallas 25 (Harper 6).

Washington 21 24 29 26—100
Indiana 33 26 23 23—105
H.Williams 7-16 13-15 27, Richardson 6-10 2-2 14, Anderson 6-11 2-2 14; Malone 11-25 10-12 32, Robinson 9-19 2-2 20. Rebounds: Washington 44 (Roundfield 10); Indiana 58 (H.Williams 12). Assists: Washington 26 (G.Williams 7); Indiana 29 (H.Williams 7).

New Jersey 25 24 27 26—102
Cleveland 23 22 27 28—100
Birdsong 9-22 7-8 25, King 12-20 0-0 24; Turpin 10-12 0-1 20, Hinson 8-16 2-3 18. Rebounds: New Jersey 54 (Williams 17); Cleveland 53 (Lee 11). Assists: New Jersey 29 (Ransey, M.Johnson, Cook 6); Cleveland 27 (Bagley 11).

Atlanta 27 32 26 21—106
New York 36 24 27 14—101
D.Wilkins 6-18 17-18 29, Willis 5-7 4-5 14; Bailey 8-14 6-7 22, Sparrow 10-15 0-0 20. Rebounds: Atlanta 57 (Rollins 11); New York 39 (Bailey 8). Assists: Atlanta 23 (Wittman 8); New York 23 (Sparrow 6).

NIT Tournament

FIRST ROUND
March 14
Ohio St. 65, Ohio U. 62

SECOND ROUND
March 17
Texas Christian, 22-8, at Florida, 17-12
Clemson, 18-14, at Georgia, 17-12
George Mason, 20-11, at Providence
Marquette, 19-10, at SW Missouri St., 23-7
Texas, 19-12, at Ohio St., 15-14
McNeese St., 21-10, at Louisiana Tech, 17-13
Loyola, Calif., 19-10, at Wyoming, 21-11
March 18
Cal-Irvine, 17-12, at Brigham Young, 17-13

QUARTERFINALS
March 20 and March 21

SEMIFINALS
March 24, at New York

CHAMPIONSHIP
March 26, at New York

NCAA Tournament

EAST REGIONAL
First Round
March 14, at Syracuse, New York
St. Joseph's 60, Richmond 59
Cleveland St. 83, Indiana 79
Navy 87, Tulsa 68
Syracuse 101, Brown 52

Second Round
March 15, at Greensboro, North Carolina
Duke 89, Old Dominion 61
DePaul 74, Oklahoma 69
March 16, at Syracuse
Navy, 28-4, vs. Syracuse, 26-5
St. Joseph's, 26-5, vs. Cleveland St., 28-3

Semifinals
March 21, at East Rutherford, New Jersey
Duke, 34-2, vs. DePaul, 18-12
St. Joseph's-Cleveland St. winner vs. Navy-Syracuse winner

Championship
March 23, at East Rutherford

SOUTHEAST REGIONAL
First Round
March 14, at Charlotte, North Carolina
Illinois 75, Fairfield 51
Alabama 97, Xavier, Ohio 80
W. Kentucky 67, Nebraska 59
Kentucky 75, Davidson 55

Second Round
March 15, at Baton Rouge, Louisiana
Louisiana St. 83, Memphis St. 81
Georgia Tech 66, Villanova 61
March 16, at Charlotte
Alabama, 23-8, vs. Illinois, 22-9
Kentucky, 30-3, vs. W. Kentucky, 23-7

Semifinals
March 20, at Atlanta
Louisiana St., 24-11, vs. Georgia Tech, 27-6
Kentucky-W. Kentucky winner vs. Alabama-Illinois winner.

Championship
March 22, at Atlanta

MIDWEST REGIONAL
First Round
March 14, at Minneapolis
Michigan 70, Akron 64
Iowa St. 81, Miami, Ohio 79, OT
N. Carolina St. 66, Iowa 64
Ark.-Little Rock 90, Notre Dame 83

Second Round
March 15, at Dayton, Ohio
Michigan St. 80, Georgetown 68
Kansas 65, Temple 43
March 16, at Minneapolis
N. Carolina St., 19-12, vs. Ark.-Little Rock, 23-10
Iowa St., 21-10, vs. Michigan, 28-4

Semifinals
March 21, at Kansas City, Missouri
Kansas, 33-3, vs. Michigan St., 23-7
N. Carolina St.-Ark.-Little Rock winner vs. Iowa St.-Michigan winner

Championship
March 23, at Kansas City

WEST REGIONAL
First Round
March 14, at Long Beach, California
Nev.-Las Vegas 74, NE Louisiana 51
Maryland 69, Pepperdine 64
St. John's 83, Montana St. 74
Auburn 73, Arizona 63

Second Round
March 15, at Ogden, Utah
Louisville 82, Bradley 68
North Carolina 77, Ala.-Birmingham 59
March 16, at Long Beach
St. John's, 31-4, vs. Auburn, 20-10
Maryland, 19-13, vs. Nev.-Las Vegas, 32-4

Semifinals
March 20, at Houston
North Carolina, 28-5, vs. Louisville, 28-7.
St. John's-Auburn winner vs. Maryland-Nev.-Las Vegas winner.

Championship
March 22, at Houston

THE FINAL FOUR (at Dallas)
Semifinals, March 29
East champion vs. Midwest champion
Southeast champion vs. West champion

Championship, March 31

Five Nations Rugby

Final Standings

	W	D	L	PF	PA	Tries
France	3	0	1	98	52	13
Scotland	3	0	1	76	54	7
Wales	2	0	2	74	71	4
England	2	0	2	62	100	5
Ireland	0	0	4	50	83	5

Tennis

MEN'S TOURNAMENT
(At Milan, Italy)
Quarterfinals
Ivan Lendl, Czechoslovakia, def. Jakob Hlasek, Switzerland, 6-3, 6-4
Miroslav Mecir, Czechoslovakia, def. Sergio Casal, Spain, 6-1, 6-2
Joachim Nystrom, Sweden, def. Bob Green, U.S., 6-1, 4-6, 6-2
Anders Jarryd, Sweden, def. Amos Mansdorf, Israel, 7-6 (7-5), 7-5
Semifinals
Lendl def. Mecir, 7-5, 6-4
Nystrom def. Jarryd, 6-3, 7-6
Final
Lendl def. Nystrom, 6-2, 6-2, 6-4

WOMEN'S TOURNAMENT
(At Dallas)
Quarterfinals
Kathy Rinaldi (10), U.S., def. Stephanie Rehe, U.S., 1-4 (ret.)
Hana Mandlikova (4), Czechoslovakia, def. Robin White, U.S., 6-0, 4-6, 6-4
Chris Evert Lloyd (2), U.S., def. Zina Garrison, U.S., 6-4, 6-3
Martina Navratilova (1), U.S., def. Helena Sukova (6), Czechoslovakia 6-4, 6-2
Semifinals
Navratilova def. Mandlikova 6-2, 5-7, 6-2
Lloyd def. Rinaldi, 6-4, 6-2

Exhibition Baseball

FRIDAY'S RESULTS
Los Angeles 6, Cincinnati 1
Minnesota 9, Toronto 2
Cleveland 10, San Diego 2
New York Yankees 5, Baltimore 3

SATURDAY'S RESULTS
Kansas City 8, Baltimore (ss) 3
Baltimore 3, Atlanta 0
California 6, Cleveland 5
San Diego (ss) 15, Chicago Cubs (ss) 8
Milwaukee 7, Seattle 4
Oakland 6, San Francisco 4
San Diego (ss) 6, Chicago Cubs (ss) 3

Hockey

National Hockey League Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
x-Philadelphia	45	21	4	94	293	218
Washington	44	20	5	93	266	229
NY Islanders	34	25	10	78	279	250
Pittsburgh	31	31	8	70	276	256
NY Rangers	32	32	5	69	240	234
New Jersey	22	44	3	47	260	322
Adams Division						
Quebec	38	28	5	81	290	256
Montreal	37	28	6	80	299	245
Boston	33	29	8	74	275	256
Buffalo	33	32	6	72	269	263
Hartford	33	35	2	68	283	271

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
x-Chicago	34	28	8	76	311	307
x-St. Louis	33	29	8	74	276	261
x-Minnesota	32	29	9	73	285	267
Toronto	22	41	6	50	281	334
Detroit	15	48	6	36	233	362
Smythe Division						
y-Edmonton	50	15	6	106	380	276
x-Calgary	35	28	8	78	305	274
Winnipeg	22	42	6	50	250	328
Los Angeles	21	41	7	49	246	338
Vancouver	18	38	12	48	231	280

(x-clinched playoff berth)
(y-clinched division title)

FRIDAY'S RESULTS

Calgary 2 0 0—2
Quebec 1 2 3—6
Ashton (21), Sittanen (9), Goulet (47), A.Stastny (27), P.Stastny (35), Eagles (9); Courteau (1), Macoun (11). Shots on goal: Calgary (on Malarchuk) 9-8-14—31; Quebec (on Lemelin) 8-19-14—41.

Detroit 2 0 1—3
Edmonton 5 3 4—12
Messier (29), Anderson 3 (51), Kurri 2 (59), Coffey 2 (43), Tikkanen (4), Summanen (18), McClelland (10), Gretzky (49); Klima (26), Kocur (9), Young (22). Shots on goal: Detroit (on Moog) 11-10-10—31; Edmonton (on Stefan) 13-15-14—42.

SATURDAY'S RESULTS

Vancouver 0 1 0 0—1
Boston 0 0 1 0—1
Lanz (13); Reid (8). Shots on goal: Vancouver (on Riggin) 7-7-8-3—25; Boston (on Young) 11-11-14-7—43.

N.Y. Rangers 2 0 0—2
Pittsburgh 0 2 0—2
Crawford (15), Helminen (9); Lemieux (45), Duguay (20). Shots on goal: New York (on Meloche) 10-6-12-2—30; Pittsburgh (on Vanbiesbrouck) 8-8-8-2—26.

New Jersey 0 1 0—1
N.Y. Islanders 0 0 3—3
Kromm (13), B.Sutter (19), Bourne (13); Johnson (16). Shots on goal: New Jersey (on Smith) 8-13-11—32; New York (on Billington) 7-7-8—22.

Minnesota 0 0 2—2
Quebec 2 1 0—3
P. Stastny (36), Goulet (48), Hunter (26); Maruk (17), Ciccarelli (35). Shots on goal: Minnesota (on Malarchuk) 12-12—28; Quebec (on Casey) 14-19-4—37.

Chicago 1 0 3—4
Hartford 2 4 5—11
Samuelsson (3), Dineen 2 (25), Tippett 2 (14), Evason (16), Anderson 2 (24), MacDermid (11), Ferraro (26), Robertson (12); T.Murray (44), O'Callahan (4), Savard (43), Larmer (30). Shots on goal: Chicago (on Liut, Weeks) 16-11-8—35; Hartford (on Bannerman, Sauve) 10-13-14—37.

Calgary 2 1 2—5
Montreal 1 1 1—3
Risebrough (15), Peplinski (20), Otto (21), Suter (16), Tonelli (21); Tremblay (19), Richer (17), Nilan (17). Shots on goal: Calgary (on Roy) 12-11-6—29; Montreal (on Vernon) 6-5-11—22.

Washington 2 2 1—5
St. Louis 2 1 1—4
Gartner 3 (35), Duchesne (10), Laughlin (22); Wickenheiser 2 (7), LaVallee (14), Barr (13). Shots on goal: Washington (on Millen) 18-7-9—34; St. Louis (on Peeters) 6-10-8—24.

Philadelphia 3 2 0 1—6
Toronto 2 3 0 0—5
Sinisalo 2 (34), Kerr (48), Eklund (15), Brown (8), Crossman (6); Smith (5), Courtnall (21), Salming (7), Nylund (2), Daoust (6). Shots on goal: Philadelphia (on Edwards) 14-12-13-1—40; Toronto (on Resch, Froese) 6-6-7-1—20.

Buffalo 2 1 0—3
Los Angeles 1 1 3—5
Williams (18), McKenna (9), Sykes (19), Ledyard (8), Dionne (34); Andreychuk (32), Cyr (19), Dykstra (4). Shots on goal: Buffalo (on Janecyk) 8-5-5—18; Los Angeles (on Barrasso) 14-12-15—41.

Transition

BASEBALL
American League

KANSAS CITY—Sent Mike Warren, Lester Strode, and Theo Shaw, pitchers; Chris Jelic, catcher, and Brian McRae, infielder, to their minor league complex.

MILWAUKEE—Sent Chris Bosio, Dan Murphy and Chuck Crim, pitchers, to their minor league complex for reassignment.

OAKLAND—Sent Jeff Kaiser, Tim Belcher, Stan Kyles and Joey McLaughlin, pitchers; Luis Polonia, outfielder, and Jim Jones and Terry Steinbach, catchers, to their minor league camp. Traded Ron Harrison, outfielder, to Chicago for Bob Fallon, pitcher.

TEXAS—Gave Al Lachowicz, pitcher, his unconditional release from Oklahoma City of the American Association. Signed free-agent Cesar Cedeno, outfielder, to a minor-league contract.

TORONTO—Sent Pedro Munoz and Silvestre Campusano, outfielders, and Greg Myers, catcher, to minor-league camp for reassignment.

BASKETBALL
National Basketball Association

CLEVELAND—Signed Ben McDonald, forward, to a 10-day contract.

HOCKEY
National Hockey League

CALGARY—Recalled Yves Courteau, forward, from Moncton of the American Hockey League.

NEW JERSEY—Recalled Don Dietrich and Alan Hepple, defensemen, from Maine of the American Hockey League.

N.Y. RANGERS—Recalled Mike Allison, center, from New Haven of the American Hockey League.

COLLEGE

NEBRASKA—Announced the resignation of Moe Iba, men's basketball coach.

OHIO STATE—Named Gary Williams men's basketball coach.

WISCONSIN—Granted a one-year contract extension to Dave McClain, football coach.

World Cup Skiing

MEN'S DOWNHILL
(At Whistler, British Columbia)
1. Anton Steiner, Austria, 2:09.78
2. Michael Mair, Italy, 2:09.89
3. Leonard Stock, Austria, 2:10.14
4. Pirmin Zurbriggen, Switzerland, 2:10.82
5. Franz Heinzer, Switzerland, 2:10.95
6. Franck Pons, France, 2:11.09
7. Billy Johnson, U.S., 2:11.31
8. Marc Girardelli, Luxembourg, 2:11.38
9. Franck Piccard, France, 2:11.58
10. Stefan Niederseer, Austria, 2:11.60.

MEN'S OVERALL STANDINGS
1. Marc Girardelli, Luxemburg, 294 points
2. Pirmin Zurbriggen, Switzerland, 255
3. Peter Müller, Switzerland, 204
4. Markus Wasmeier, West Germany, 197
5. Leonhard Stock, Austria, 170
6. Ingemar Stenmark, Sweden, 167
7. Rok Petrovic, Yugoslavia, 165
8. Peter Wirnsberger, Austria, 148
9. Hubert Strolz, Austria, 142
10. Michael Mair, Italy, 129
11. Franz Heinzer, Switzerland, 124
12. Gunther Mader, Austria, 123
13. Karl Alpiger, Switzerland, 110
14. Anton Steiner, Austria, 109
15. Andreas Wenzel, Liechtenstein, 108.

FINAL DOWNHILL STANDINGS
1. Peter Wirnsberger, Austria, 120 points
2. Peter Müller, Switzerland, 115
3. Michael Mair, Italy, 92
4. Marc Girardelli, Luxemburg, 76
5. Karl Alpiger, Switzerland, 75
6. Leonhard Stock, Austria, 74
7. Erwin Resch, Austria, 72
8. Anton Steiner, Austria, 71
9. Franz Heinzer, Switzerland, 68
10. Gustav Oehrli, Switzerland, 57.
11. Pirmin Zurbriggen, Switzerland, 55
12. Helmut Hoflehner, Austria, 50
13. Daniel Mahrer, Switzerland, 42
14. Markus Wasmeier, West Germany, 41
15. Doug Lewis, U.S., 40.

WOMEN'S DOWNHILL
(At Vail, Colorado)
1. Pam Fletcher, U.S., 1 minute, 54.28 seconds
2. Laurie Graham, Canada, 1:54.60
3. Maria Walliser, Switzerland, 1:55.08
4. Liisa Savijarvi, Canada, 1:55.65
5. Heidi Zeller, Switzerland, 1:55.72
6. Adele Allender, U.S., 1:55.80
7. Katrin Gutensohn, Austria, 1:55.86
8. Olga Charvatova, Czechoslovakia, 1:56.05
9. Regine Mösenlechner, West Germany, 1:56.15
10. Heidi Wiesler, West Germany, 1:56.19

WOMEN'S OVERALL STANDINGS
1. Maria Walliser, Switzerland, 271 points
2. Erika Hess, Switzerland, 238
3. Michela Figini, Switzerland, and Brigitte Oertli, Switzerland, 177
5. Vreni Schneider, Switzerland, 170
6. Olga Charvatova, Czechoslovakia, 166
7. Traudl Hächer, West Germany, 153
8. Katrin Gutensohn, Austria, 145
9. Marina Kiehl, West Germany, 136
10. Michaela Gerg, West Germany, 132.

FINAL DOWNHILL STANDINGS
1. Maria Walliser, Switzerland, 115
2. Katrin Gutensohn, Austria, 110
3. Laurie Graham, Canada, 105
4. Brigitte Oertli, Switzerland, 82
5. Liisa Savijarvi, Canada, 65
6. Michela Figini, Switzerland, 53
7. Michaela Gerg, West Germany, 48
8. Pam Fletcher, U.S., 46
9. Regine Mösenlechner, West Germany, 44
10. Marina Kiehl, West Germany, 43.

Soccer

INTERNATIONAL FRIENDLY
Hungary 3, Brazil 0

FRENCH FIRST DIVISION
Nantes 2, Paris-St. Germain 0
Toulon 0, Lens 0
Strasbourg 2, Nice 0
Monaco 2, Le Havre 2
Marseille 3, Bastia 0
Lille 1, Bordeaux 0
Metz 2, Auxerre 0
Toulouse 2, Laval 0
Sochaux 4, Brest 2
Rennes 1, Nancy 0
Points: Paris-SG 49; Nantes 43; Bordeaux 42; Toulouse, Lens, Auxerre 36; Monaco 35; Metz 33; Nice 32; Lille 31; Le Havre, Nancy, Laval 30; Marseille, Toulon, Sochaux, Brest 29; Rennes 28; Strasbourg 22; Bastia 19.

ENGLISH FIRST DIVISION
Arsenal 1, West Ham 0
Birmingham 1, Tottenham 2
Coventry 0, Sheffield Wednesday 1
Luton 1, Oxford 2
Manchester City 0, Watford 1
Newcastle 3, Ipswich 1
Nottingham Forest 1, Aston Villa 1
Queen's Park Rangers 1, Manchester United 0
Southampton 1, Liverpool 2
West Bromwich Albion 2, Leicester 2.
Everton 1, Chelsea 1
Points: Everton 66; Liverpool 63; Manchester United 59; Chelsea 58; Arsenal 55; Sheffield Wed. 52; West Ham, Luton 51; Newcastle 48; Nottingham Forest 47; Tottenham 44; Watford 42; Manchester 41; Southampton 40; Queen's Park Rangers 37; Coventry 35; Leicester 34; Oxford 32; Ipswich 29; Aston Villa 26; Birmingham 25; West Bromwich 17.

WEST GERMAN FIRST DIVISION
Mannheim 0, Bayern Munich 4
Frankfurt 0, Werder Bremen 2
Bochum 2, Borussia Mönchengladbach 2
Bayer Uerdingen 2, Borussia Dortmund 0
Hamburg 4, Saarbruecken 0
Cologne 3, Hannover 0
Nuremberg 3, Schalke 1
Duesseldorf 0, Stuttgart 7
Kaiserslautern 4, Bayer Leverkusen 1
Points: Bremen 42; B.Munich 38; Bor. M'gladbach 34; Hamburg, B.Leverkusen, Stuttgart 28; B.Uerdingen, Mannheim 25; Bochum 24; Frankfurt 23; Cologne, Bor. Dortmund 22; Schalke, Kaiserslautern, Nuremberg 21; Duesseldorf 20; Saarbruecken 18; Hannover 14.

ITALIAN FIRST DIVISION
Atalanta 0, Bari 0
Como 1, Pisa 1
Fiorentina 0, Verona 0
Lecce 0, Sampdoria 1
Milan 2, Udinese 0
Napoli 1, Inter Milan 0
Roma 3, Juventus 0
Torino 1 Avellino 0
Points: Juventus 38; Roma 35; Napoli 31; Milan 30; Torino, Inter 27; Fiorentina, Verona 25; Sampdoria 24; Atalanta 23; Como 22; Pisa, Avellino 21; Udinese, Bari 19; Lecce 13.

SPANISH FIRST DIVISION
Las Palmas 1, Valladolid 0
Cadiz 1, Real Madrid 3
Barcelona 1, Celta 1
Hercules 0, Gijon 1
Sevilla 3, Real Sociedad 1
Athletic Bilbao 2, Betis 1
Osasuna 2, Valencia 0
Atletico Madrid 2, Español 0
Zaragoza 1, Santander 0
Points: Real Madrid 50; Barcelona 41; Atletico Madrid, Athletic Bilbao 37; Zaragoza, Gijon 35; Sevilla 33; Real Sociedad 31; Betis 28; Valladolid 27; Español 26; Las Palmas 24; Santander 23; Cadiz 22; Osasuna, Hercules 21; Valencia 19; Celta 12.

LANGUAGE

Palookas and Screams

By William Safire

WASHINGTON — Edward Koch, a best-selling author who moonlights as a city official, recently referred to a compatriot under investigation by law-enforcement officials as a "close friend — *in the abstract*."

This is a new category of political friendship. One meaning of *in the abstract* is "apart from material objects"; its synonym is "theoretical," its antonym "concrete." An *abstract friendship*, then, is a tie that binds in theory but that does not suggest participation in the sharing of material objects, such as cash and other valuables that could be construed as graft.

Mayor Koch has used other words recently that bear investigation. In his defense of a policy of permitting his department heads to hire their aides without prior approval from him, the mayor explained: "I don't want commissioners to ever be able to say to me, 'I could not perform because you decided to give me *palookas*.'"

"My recollection of Joe Palooka," writes a New York Times colleague, "was that he was dumb but honest. If that's so, Mayor Koch might be better off with *palookas* rather than what he's had."

The American slang term *palooka* was adopted by, but did not originate with, the cartoon character of an amiable prizefighter drawn by Hammond Edward (Ham) Fisher. According to Webster's New World Dictionary, the word *was coined by Jack Conway*, a baseball player and, later, a sportswriter, and is considered "Old Slang." In 1929 William Henry Nugent wrote in The American Mercury that "*Palooka*, now signifying a fifth-rate pugilist, derives from a pure Gaelic word." The Oxford English Dictionary's supplement dismisses all this and says, "Origin unknown," extending its meaning from pugilist to "any stupid or mediocre person; a lout."

Despite the uplift given the word's meaning by the cartoon character, a *palooka* is still generally considered a punch-drunk or inept fighter, and Koch used the word correctly.

WHEN savaged by a rightist civil libertarian for publicly calling a suspect in the case a *crook* (a colloquial term in use since 1879 to mean "swindler, thief"), the mayor explained that his prejudicial comment was no more than "a primordial scream of rage and anger" because he felt betrayed.

He meant *primal scream*. *Primal*, *primeval* and *primordial* are all synonyms for "earliest, original, primitive, first in time," from the Latin *primus*, "first." The phrase the *primal scream* is from a 1970 book of that title by Arthur Janov, a psychologist who espouses treating mental disorders with *primal therapy*, in which patients are encouraged to re-enact infancy or express strong emotions by means of shouts and screams. Apparently this is the therapy that Koch believes he engaged in by calling his friend-in-the-abstract a *crook*.

A NEW word has been rampaging through our language: *non* or, if you wish to call attention to its origin as a prefix, *non-*.

You've heard it a thousand times, at ticket counters or in front of what used to be velvet ropes in restaurants:

"Smoking or *non*?"

"*Non*, if you have it."

"You'll have to wait for *non*."

In three generations, we have come from "Waiting for Lefty," to "Waiting for Godot," to Waiting for *Non*.

The rise of *non* is an example of identification by exclusion. The comedian Fred Allen, in the heyday of radio, had a character in "Allen's Alley" afflicted with amnesia who was trying to remember who he was by the process of elimination. "I'm not carrying an umbrella," he would say, "so I'm not Neville Chamberlain."

In the same exclusionary way, we categorize the yellow, red and black races as *nonwhite*. A decade ago, when the United States' attention was directed to the demands of minority groups, Ben Wattenberg and Richard Scammon once identified the real majority of Americans as "un-young, un-poor and un-black." That was an original and striking use of the elimination process; so was *nonbook*, a condemnation of books that were published without having been written. Most often, however, *non-* is linguistic evasion, sheer laziness on the part of the categorizer.

New York Times Service

J. Paul Getty: 2 Portraits Etched in Acid

By David Johnston
Los Angeles Times Service

J. PAUL GETTY was not nice, according to two biographers of the man who many people believe — wrongly — was the world's richest person.

He was a liar, a cheat, a bigamist and just plain mean-spirited, according to both.

But ex-wives spoke fondly of him to one of the authors, old mistresses described him lovingly and those of his descendants who talked to both writers spoke coolly, but not negatively, of the legendary oil man. One friend called Getty "the happiest man I ever met," filled with pride in his achievements.

Getty, who was 79 when he died in London in 1976, greatly admired Adolf Hitler, according to one of the books, "The Great Getty" (Crown) by a Boston Globe reporter, Robert Lenzner, who quotes extensively from Getty's diaries and FBI documents.

When Hitler delivered his infamous Sportspalast speech before 15,000 cheering Nazis in 1938, threatening war unless Czechoslovakia turned the Sudetenland over to Germany, Getty was in the audience, apparently as a guest of the Nazi government. According to Lenzner, he wrote in his diary that Hitler "made a speech in favor of peace."

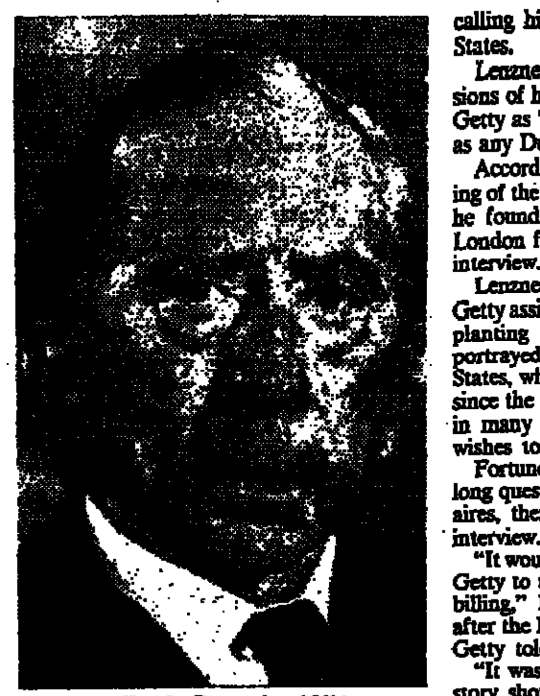
Quoting from the diaries, Lenzner reveals how a month later, on Oct. 24, 1938, Getty traveled to Vienna to inspect the art, silver and furniture that the elite SS corps seized after imprisoning Baron Louis de Rothschild and holding him for ransom.

To gain their freedom, Lenzner writes, the Vienna Rothschilds were forced by the Nazis to relinquish most of their possessions, although they did get some to the United States. Lenzner reports that Getty obtained two ornate desks, or secretaires, which cost the Rothschilds $200,000 in 1930, through *Lord Duveen's gallery in New York for* $72,000.

Jillian Wilson, a Getty Museum curator, said Getty Museum records show that two secretaires from the Rothschild's Vienna mansion were purchased for $72,000, but in 1950 and from the Rosenberg and Stiebel Galleries in New York. "To be polite, I believe he's got it wrong," she said.

Lenzner, 50, also suggests that Getty was a coward, soliciting a U. S. Navy officer's commission in World War II, but having it withdrawn when he was not promised duty ashore in the United States. Instead, he ran an efficient airplane factory, spending most of the war in a bunker-like office in Oklahoma.

According to Lenzner, Getty once showed his fourth wife — Ann Rork, the mother of the San Francisco composer Gordon Getty — a document that he made other women sign before having sex with him. Neither an unromantic interruption to sign a document



J. Paul Getty in 1974.

nor its absolving the elder Getty from responsibility in the event of pregnancy interfered with his affairs.

The other author, the London Sunday Times profile writer Russell Miller, also paints an unflattering picture of Getty in "The House of Getty," (Henry Holt). Miller, whose previous book, "Bunny," took a hard look at Hugh Hefner, the publisher of Playboy, describes Getty as a relentless womanizer "who boasted of having five different women in a single day when he was 60."

Meanwhile, Getty has become synonymous with fine art through the Getty Museum in Los Angeles, part of the United States's most richly endowed arts philanthropy, the $2.6-billion J. Paul Getty Trust.

Miller and Lenzner both say the way Getty disposed of his money, creating an operating foundation that spends its income on its own programs in Los Angeles rather than making grants to support the arts, has had a destructive effect on the world art market. The Getty Trust, by law, must spend nearly $100 million annually, and its budget has helped escalate world prices for some types of art works.

J. Paul Getty was an obscure oil man whose parents lived in the Hancock Park area of Los Angeles in a mansion that is now Mayor Tom Bradley's official residence, while he lived in suites at Europe's finest hotels, handling his oil business by cable.

Then, in October 1957, Fortune magazine made Getty a household name, in an article calling him the richest man in the United States.

Lenzner and Miller tell very *different* versions of how the magazine came to describe Getty as "richer than a Rockefeller" as well as any Du Pont, Astor, Whitney or Mellon.

According to Miller, 46, Getty knew nothing of the Fortune article until one afternoon he found the lobby of the Ritz Hotel in London full of journalists clamoring for an interview.

Lenzner, on the other hand, suggests that Getty assiduously courted Fortune magazine, planting facts to make sure he would be portrayed as the richest man in the United States, which he may or may not have been since the value of wealth can be determined in many ways, depending on whether one wishes to display or hide assets.

Fortune magazine, Lenzner writes, sent a long questionnaire to 175 U.S. multimillionaires, then got 50 of them to agree to an interview.

"It would hardly have been in character for Getty to turn down the opportunity for top billing," Lenzner writes, adding that soon after the Fortune magazine article appeared, Getty told the columnist Art Buchwald:

"It was rather amusing in a way that the story should come out in Fortune because they've ignored me for 21 years. I kept reading about other people in the magazine with large businesses, and I always thought since mine was larger they'd get around to me."

Both Lenzner and Miller recount how violence, alcohol, drugs, affairs and fortune seekers have plagued Getty's heirs.

In an interview, Lenzner described Getty's fortune as "the American dream become the American nightmare." Miller said, in a separate interview, "We should care about the Gettys, because their story proves the destructive influence money can have, especially if there is so much that it's obscene, it's incomprehensible."

"Few people who knew Getty say he was a happy man," Lenzner said, "but I think he enjoyed himself and he enjoyed playing people off against each other."

Others enjoyed playing off their rivals in vying for Getty's money and affection. Miller recounted how Mary Teissier learned the design of the dress that another of Getty's mistresses, Penelope Kitson, had made in Paris to wear at the housewarming at Sutton Place, Getty's English mansion.

"Teissier got a sleazy-looking woman invited and got her a dress identical to the one Penelope Kitson was going to wear," Miller said, "and then stationed her at the bottom of the stairs. Others who were in on it waited to see what would happen. But when Kitson came out and saw the other woman she just turned around, went back to her room and put on another, and equally elegant, dress."

POSTCARD

Punch Goes to College

By Paul Majendie
Reuters

LONDON — Britain's top Punch and Judy puppeteers have set up their own "College of Professors" to maintain the hallowed traditions of a roustabout show that has been delighting children for more than 300 years.

Since placing an advertisement in The Times, eight leading exponents of the art have been flooded with inquiries from the country's 200 puppeteers, eager to gain a diploma from the newly founded college.

John Styles, a roving Punch and Judy ambassador who has performed his show from Dallas to Amman, said: "We felt it was time to have some sort of professional body of our own to ensure that people get the genuine article."

Styles, who makes his own puppets and has a Punch bass knocker on his front door, revels in the history of Punch, who first came to England in 1662.

A plaque commemorating the first show has been erected in Covent Garden, which used to be London's fruit and vegetable market.

The character was based on a 15th-century actor in Naples called Pulcinella, a cheerful iconoclast who delighted in being rude, witty and thumbing his nose at authority.

Punch came to England as a string puppet, but developed into a glove puppet. Shown in candy-striped booths, the shows became a popular beach resort attraction.

The Punch and Judy storyline — a wicked character who beats his wife, kills his child, assaults a doctor, attacks the police and even tricks a hangman into hanging himself — hardly sounds the perfect recipe for children's entertainment.

What then does Styles say to critics who argue that the perennial children's show is too violent for tender minds?

"I refer them to a line from Charles Dickens, who was very fond of Punch and Judy shows and once said 'It is nothing more than an outrageous joke which should not be taken seriously.' That says it all."

One of Styles's proudest achievements was being made a Fellow of the Royal Society of Arts in London after he gave a lecture there on the history of Punch and, of course, performed his show.

For the newly founded college, there are strict rules for any would-be hopefuls seeking a diploma. "The puppets must be traditionally dressed and the show performed in the traditional booth," Styles said.

Punch must also have a squeaky voice, obtained through the swazzle, a metal and reed squeaker that the showman holds in his mouth.

Styles is widely regarded as a leading exponent of the art.

"I have played for garden parties at Buckingham Palace and been out to Jordan to perform for King Hussein's family. I've taken the show to Barcelona, Dallas, New York, Canada and even performed outside St Paul's Cathedral before the royal wedding of Prince Charles and Lady Diana," he said.

His film work has included appearances in the "Time Bandits" and "The Bride."

In starting up the college, Styles and his fellow puppeteers said they "wished his impudence Mr. Punch a continuation of the popularity he has hitherto enjoyed throughout the reigns of 16 monarchs."

Styles is confident Punch will be doing his routine for another 16 reigns and, asked why he thought it was such an enduring favorite, said: "People have clearly started to gain some respect for the past. They have discovered that much of what is new is perhaps not lasting."

The college plans to award about 20 diplomas a year, and already has the perfect venue for the ceremony — The Punch, a Fleet street tavern.

Italian Legislator Jailed For Receiving Bribes

Reuters

TURIN — An Italian member of Parliament and 18 other persons have been given prison sentences ranging up to four years on bribery charges.

Giuseppe La Ganga, a Socialist member of the Chamber of Deputies, was sentenced Saturday to two-and-a-half years in prison for corruption and for receiving 30 million lire ($19,500) in bribes. The prosecution said Mr. La Ganga, 37, had received the money from a man who channeled bribes to legislators and other officials from businessmen seeking public contracts.

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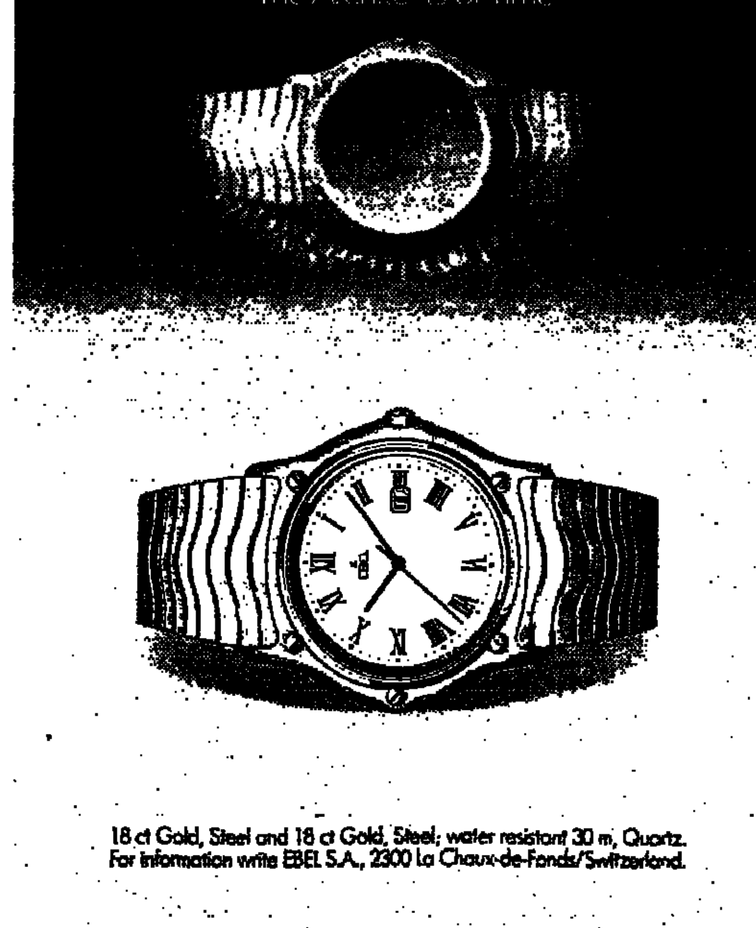

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